



CORPORATE GOVERNANCE AND ETHICS

CASE STUDIES

Edited by Prof Mak Yuen Teen



Centre for Investor Protection
NUS Business School

2025 SERIES:
VOLUME 1



NUS
National University
of Singapore

Centre for Investor Protection NUS Business School

OVERVIEW

Established in 2024, the Centre for Investor Protection (CIP) at the NUS Business School, is the first of its kind in Singapore dedicated to research on investor protection, and one of a few such centers in the world. The Centre undertakes independent research, public education and related activities to promote the improvement of investor protection in Singapore and internationally.

Its work will center on its Independence and the Impact it can bring. Its projects will be primarily Singapore-focused, together with international studies that have significant implications for policies and practices relating to investor protection in Singapore and beyond. The projects and activities of the Centre include comparative international studies, case studies, reports, position papers, submissions to public consultations, and academic studies with relevance for investor protection policies and practices in Singapore and beyond.

WHAT WE DO

Examples of projects and activities:

- Comparative international surveys
- Case studies
- Reports on specific topics, such as rules and regulations; board practices, directors' duties; shareholder meetings; shareholder rights; investor activism; shareholder meetings; remuneration; secondary fund-raising; and related party transactions
- Feedback on consultation papers
- Position papers related to investor protection and corporate governance.
- Academic studies with relevance for investor protection policies and practices in Singapore

CENTRE DIRECTOR

Professor Mak Yuen Teen, PhD
Professor (Practice) of Accounting
NUS Business School

Website: <https://bschool.nus.edu.sg/cip/>

CORPORATE GOVERNANCE AND ETHICS: CASE STUDIES

2025 Series: Volume 1

© Centre for Investor Protection and Mak Yuen Teen. All rights reserved.

ISBN: xxx-xxx-xx-xxxx-x

Title: Corporate Governance and Ethics: Case Studies, 2025 Series, Volume 1

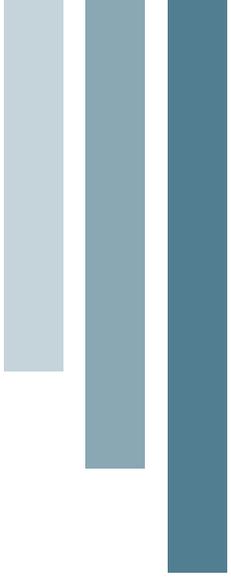
The reproduction, adaptation, communication or sale of these materials is strictly prohibited unless expressly permitted under copyright laws in your jurisdiction or prior permission is sought. These cases can be used free of charge with acknowledgement of the source of the cases. Those wishing to use the cases should write to Professor Mak Yuen Teen at bizmakyt@nus.edu.sg indicating the organisation and courses or programs using them.

Disclaimer

The Centre for Investor Protection and Mak Yuen Teen do not provide any warranties or make representations as to the accuracy, completeness, suitability or fitness for purpose of the Materials and accept no responsibility for any acts or omissions made in reliance of the Materials. These Materials have been produced for reference purposes only and are not intended, in part or full, to constitute legal or professional advice. To the extent permitted by the applicable laws in your jurisdiction, the Centre for Investor Protection and Mak Yuen Teen exclude all liability for any loss, damage, claim, proceeding and or expense including but not limited to legal costs, indirect special or consequential loss or damage, arising from acts or omissions made in reliance of the Materials. Where any law prohibits the exclusion of such liability, the Centre for Investor Protection and Mak Yuen Teen limit their respective liability to the resupply of the information.

CONTENTS

PREFACE	iv
XERO IN ON GOOD CORPORATE GOVERNANCE	1
CITY DEVELOPMENTS: GOVERNANCE GETS BITTEN	21
CORDLIFE: BAD BLOOD BANKING	49
YOMA STRATEGIC HOLDINGS: FALL FROM GRACE	83
HATTEN LAND IN CONTROVERSY	117
CHEMICAL INDUSTRIES: EXPLOSIVE CHEMISTRY	143
BROKEN ALLIANZ WITH INCOME	161
THE FASHION SHEIN-NAMI	203
ASX: GAME OF CHESS	223
FORTESCUE: STEPPING ON A MINEFIELD.....	245
ABOUT THE EDITOR	269



PREFACE

Last year, the Centre for Investor Protection at the NUS Business School launched the annual series, Case Studies in Corporate Governance and Ethics, in three volumes.

This annual series comprises case studies on listed companies and other organisations in Singapore and the rest of the world. The cases are written from public information to facilitate discussion and for use in courses and programs for undergraduates, graduates, executives, directors, and other stakeholders. While the cases are selected for their relevance to issues relating to ethics, corporate governance, and investor protection, they often raise many other business issues, such as business models, finance, accounting, and sustainability. I personally review and do the final editing for every case.

These cases are available for use free of charge. We only request that those using the cases write to me at bizmakyt@nus.edu.sg, letting me know which cases they are using and for what courses and programs, and acknowledge the source of these cases.

I am now pleased to release Volume 1 of the 2025 series which contains 10 cases. This Volume comprises six Singaporean cases and four cases from the rest of Asia-Pacific.

The first case is about the New Zealand-based, Australian-listed Xero Limited, a SaaS company which has grown to become a global company. It is an excellent example of how good corporate governance can help a company achieve strong performance. Starting as a founder-controlled and managed company, it has successfully transitioned into a professionally-managed company. The manner in which it has addressed issues such as CEO succession, board structure and composition, and remuneration policies for directors and senior executives - and its transparency and engagement with shareholders - serve as useful lessons for other founder-controlled companies. As with any company, there are corporate governance practices that may be contentious and the case also allows a discussion of these practices.

The six Singaporean cases include the well-known corporate governance sagas at City Developments Limited and Cordlife Group Limited, other SGX-listed issuers which have faced scrutiny over a variety of corporate governance and disclosure issues, and a case on events leading up to the aborted acquisition of a majority stake in Income Insurance by Allianz and its aftermath. The Income Insurance case covers issues that have not been discussed during the highly-publicised proposed Allianz deal.

The case on SHEIN, the Chinese ultra-fast fashion giant headquartered in Singapore, allows a discussion of its business model and the sustainability-related issues that this raises, particularly social-related ones.

The two Australian cases in this volume include a case on the Australian Securities Exchange (ASX), which focuses largely on the disastrous replacement of its Clearing House Electronic Subregister System (CHES). The

role and competencies of the Board, risk management, regulatory oversight of ASX, ASX's dual role as a listed company and market operator, and remuneration policies, are some of the other key issues covered. This case is highly relevant to other listed stock exchanges which have similar dual roles, such as SGX.

The final case in this volume is about another ASX-listed company, Fortescue Ltd, a mining and green energy company headquartered in Perth, Australia. This case covers issues such as those relating to dominant founders; corporate culture and ethics; remuneration policies; whistleblowing policies; and sustainability.

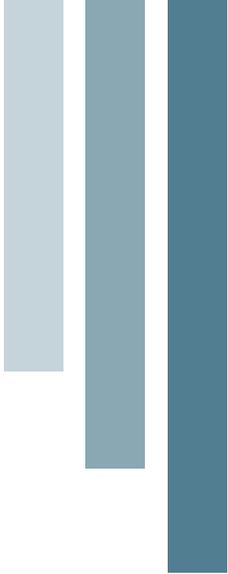
Volume 2 of the 2025 series will be published by the end of this year.

I would like to acknowledge the students in the Governance, Risk Management and Sustainability course who worked on the original cases as part of their course requirements. I would also like to thank the editorial assistants who helped with checking the accuracy and editing the cases. Their names are mentioned in each case.

This publication and the establishment of the Centre for Investor Protection would not be possible without the generous donation from a donor who believes in the importance of corporate governance and investor protection for a robust capital market. I am deeply grateful to this donor.

Mak Yuen Teen, PhD

Professor (Practice) of Accounting
Founding Director, Centre for Investor Protection
NUS Business School
National University of Singapore



XERO IN ON GOOD CORPORATE GOVERNANCE*

Case overview

On 18 December 2024, Xero Limited (Xero), which is listed on the Australian Securities Exchange (ASX), announced a revision to its CEO's pay. While her base salary and short-term incentive would decrease from USD735,000 to USD540,000 under the new "location-specific" package, her annual total target remuneration would increase to USD15.2 million. In addition, she would receive a one-off grant of "at-the-money" options with a fair value of USD26.49 million, vested in three equal tranches annually to ensure the alignment of CEO and shareholder interests.

The changes in the remuneration policy for Xero's CEO was triggered by the hiring of a US-based CEO as the company's business became more global and an attempt to align the remuneration policy more towards the US market.

The objective of this case study is to facilitate discussion of issues such as corporate governance of a founder-controlled and managed company; transition of a company from founder-led to professionally managed; CEO succession; board structure and composition; and remuneration policies for CEOs and non-executive directors (NEDs) in different markets.

From Zero to Xero

Xero was founded in 2006 by Rod Drury and Hamish Edwards in their one-bedroom apartment in Wellington, New Zealand (NZ). The number of the apartment was 404 – the error code for a "page not found" returned on web browsers and as an interview with Drury said: "A terrible omen for a software-as-a service company, if you were the superstitious type". Xero was originally called Accounting 2.0.¹

According to Drury: "I first got into accounting and bookkeeping at Napier Boys High School... We had a fantastic teacher there – Fred. There were three or four of us, the naughty people. I don't know what was the

* This case study was written by Professor Mak Yuen Teen with editorial assistance provided by Karen Lee Chen Xi. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

decision that allowed us to pick bookkeeping as a subject for 5th, 6th and 7th forms. But I really loved it. I loved that we could get a trial balance, we would do journals, and we had to come up with a P&L and a balance sheet.”²

Drury went on to complete a computing degree at Victoria University of Wellington, specialising in accounting and information systems and later joined Arthur Young, which then became Ernst & Young.³ The other co-founder, Edwards, was an accountant.

Drury is described as a technology entrepreneur. In 1995, he founded Glazier Systems, a NZ software development and consulting company, which he then sold. He followed that up by co-founding Context Connect, and then founded and served as CEO of AfterMail, which was also acquired. He then founded Xero.⁴

Xero took its name from a US rock band, which later became the famous Linkin Park.⁵ It was created after the founders became frustrated with the accounting software available at the time, and wanted to make accounting more accessible and efficient for small businesses.⁷

Xero is incorporated in NZ and its headquarters remains in Wellington. It listed on the New Zealand Exchange (NZX) in 2007 through a NZD15 million IPO, and subsequently listed on ASX in 2012, before moving to a sole ASX listing in 2018.⁸ Drury remains a substantial shareholder but currently owns only 5.72% of the ordinary shares. According to an online source, the general public, mostly comprising of individual investors, owns about 59% of Xero’s shares, while 33% are owned by institutions.⁹ All ordinary shares have only one vote in Xero.

Today, Xero is a cloud-based accounting platform that uses a software-as-a-service (SaaS) model. It has 4.2 million subscribers and is a leader in cloud accounting across NZ, Australia and the United Kingdom (UK). Its market capitalisation was AUD29.608 billion on 24 July 2025.¹⁰

Board of directors

When Xero first listed, both its co-founders, Drury and Edwards, were directors, with five other independent directors (IDs).¹¹ Although Drury was the CEO, Xero had adopted the model of having an independent Chairman right from the start.

Xero has a lean board of directors (BOD), never having more than eight directors since it was founded, even as it grew from a small NZ company to the multi-billion global company it is today.

Currently, it has a wholly non-executive BOD comprising just seven directors. There is no executive director (ED) on the BOD. Xero transitioned to this model after Drury, who was the CEO and sole ED, retired as CEO in 2018 and remained on the BOD as a NED.¹² He retired from the BOD in August 2023.¹³

Today, all seven directors on the BOD are IDs, with three women, including the Chair of the People and Remuneration Committee (PRC).¹⁴ The current Chairman, David Thodey, was appointed to the BOD in June 2019 and took over as Chairman in February 2020. All the other IDs have also served for less than eight years.

Thodey is from Australia, but the rest of the BOD includes two directors from NZ, one from UK and three from United States (US).¹⁵ The current CEO, Sukhinder Singh Cassidy, a Canadian native, is also based in the US.¹⁶ According to Xero, it aspires to be a world-class global SaaS business, and recruiting and retaining global SaaS leaders, who are concentrated in the US, is essential to delivering high performance to drive long-term shareholder value in a competitive international market.¹⁷

The three US-based IDs joined the BOD in October 2020, February 2022 and July 2023. However, Xero has had an geographically-diverse BOD for many years, including having directors from the US.

Within Xero’s seven-member board, there is a variety of qualifications, skills and experience (albeit with a strong technology bent), and several elements of diversity, including gender and geographical.

Xero’s FY25 annual report shows the profile of the board in terms of gender, location, race and ethnicity, and tenure, but not age (none of the jurisdictions the directors are from require age disclosure).¹⁸

For the skills matrix, Xero shows nine capabilities – global markets; SaaS technology and data; digital product management; sales, marketing and customer experience; strategy; financial acumen; governance and risk management; people and culture; and executive leadership. The skills matrix shows the number of directors having “high capability” or “moderate capability” for each capability. All seven directors were assessed as having “high capability” for strategy, people and culture, and executive leadership, and six for governance and risk management. For SaaS technology and data, digital product management and financial acumen, only two directors were assessed as having “high capability”.

In a report issued on 2 August 2024 by the NZ Shareholders Association (NZSA) assessing Xero in a number of areas and indicating how it will vote its undirected proxies for the company’s Annual General Meeting (AGM) on 22 August 2024, it noted that Xero “does not attribute skill sets to individual Directors to demonstrate how they contribute to the governance of the company.”¹⁹ No clarification was provided in the FY25 annual report.²⁰

One thing that Xero also does not appear to disclose is how it sources for IDs.

Xero’s Chairman chairs its Nominations and Governance Committee (NGC).²¹

Non-executive director remuneration

At Xero, NEDs do not receive any performance-related or at-risk remuneration (such as options). It did use such remuneration before 2016 but ceased doing so in order to preserve independence and impartiality.²²

Xero pays a higher fee for the Board Chairman than for other directors, and also additional fees for directors who chair or serve as a member of the Audit and Risk Management Committee (ARMC) and People and Remuneration Committee (PRC).²³ However, it does not pay any additional fee for those chairing or serving on the Nominations and Governance Committee (NGC).

The basic retainers paid to the Board Chair and directors are differentiated according to their country of residence. Xero said that these fees “are benchmarked to the local market and set accordingly, reflecting the global composition of Xero’s Board”.²⁴ In its FY23 annual report, Xero disclosed that a Chairman who is resident in NZ or Australia would be paid a retainer of NZD450,000 per year, while a Chairman resident in US and UK would get NZD500,000 and NZD650,000 respectively.²⁵ For other directors, those from the US are paid a retainer of NZD360,000, while those from the other three countries – NZ, Australia and UK, are paid an identical NZD190,000.²⁶

In Xero’s FY24 annual report, it disclosed that effective 1 October 2023, the Chair received an increase of 3.3% to NZD465,000 and the ARMC and PRC Chairs received fee increases of 5.3% to NZD40,000, while ARMC and PRC member fees increased 10.5% to NZD21,000.²⁷ There were no changes made to base fees for directors.²⁸

In its FY25 annual report, Xero further disclosed that effective 1 October 2024, the Chair received another increase of 5.81% to NZD492,000.²⁹ The ARMC and PRC Chairs received a 28.75% increase to NZD51,500, while members received a 20% increase to NZD 25,200.³⁰

Xero does not pay additional meeting or attendance fees for NEDs.³¹

CEO succession

In 2018, Xero transitioned from a founder-led company, when its CEO, Drury, who had held this role since he founded the company in 2007, stepped away from his executive role to become a NED. He was succeeded by Steve Vamos. The then Chairman, Graham Smith, said: “One of the Board’s primary accountabilities is to appoint the Chief Executive. We have been privileged and fortunate to have Xero’s founder Rod Drury in this role since he founded the company 12 years ago...Steve’s appointment underpins Xero’s evolution from a founder-led

company to a business with worldwide scale. Steve has the experience, capability and commitment we need to grow Xero, and the Board is delighted to have secured somebody of his calibre for this critical role.”³²

Drury said: “Xero plans relentlessly for success. This includes planning for succession and ensuring the right people are in the right roles to execute the company’s strategy...In March this year, I announced my intention to step down as Xero’s Chief Executive at the end of the financial year. This was a carefully considered step made possible by the strength of the leadership team we have developed over the past few years as we transition from a founder-led company to a globally distributed, world class technology business scaling on multiple fronts.”³³

Vamos formally took over as Xero’s CEO in April 2018.³⁴ In the 18 months before he assumed the role, he worked alongside the Xero’s leadership team, including helping to hone Xero’s operating model. Vamos had held leadership roles in major technology companies, including Apple, IBM and Microsoft. He was described as having a deep understanding of high-growth companies, having worked in start-ups, including one in Australia which he grew into an industry leader.

On 10 November 2022, Sukhinder Singh Cassidy, a Canadian, joined Xero and in February 2023, she took over as its third CEO, after Vamos decided to retire.³⁵ The company said that as its global footprint grows, the skill set and experience required of its management team continues to evolve, and its growth ambitions were the key consideration in the global recruitment process for a new CEO.

Cassidy is an experienced global technology executive with more than 25 years’ leadership experience, including at Google and StudHub, and as founder or co-founder of Boardlist, Joyus (where she was CEO), and Yodlee.

Perfectly timed succession?

Drury founded the company, took it public first on NZX and then ASX, managed it for nearly 12 years, and by the time he stepped aside as CEO in April 2018, Xero had a share price of about AUD34 and a market capitalisation of about AUD4.6 billion.³⁶ When it opened its first day of trading on ASX in November 2012, its share price was AUD4.50.³⁷

Under Vamos’ watch, Xero’s share price reached a peak of AUD155.75 and market capitalisation of around AUD22 billion at the end of October 2021.³⁸ The share price and market capitalisation had fallen back to around AUD64.74 and AUD11.4 billion respectively by the time Cassidy joined.³⁹

Since Cassidy joined the company, Xero’s share price has risen back to close at AUD170.63 on 18 December 2024, with a market capitalisation of nearly AUD26 billion.⁴⁰ Following the release of its FY25 full year results, shares rose to close at AUD182.⁴¹ Xero also increased its revenue by 23% and expanded further through initiatives such as the acquisition of Syft to enhance insights, reporting and analytics offering for customers globally.⁴² However, statutory earnings were lower than expected.⁴³

Figure 1 shows the share price performance of Xero over the tenure of its three CEOs.



Figure 1: Xero's share price during the tenure of the three CEOs⁴⁴

Source: Yahoo Finance. (n.d.). Xero Limited (XRO.AX).

Beyond minimum compliance

Xero has gone beyond minimum compliance in a number of areas.

First, since it is incorporated in NZ, Xero's annual report is primarily governed by the NZ Companies Act 1993. Nevertheless, it prepared a separate Remuneration Report which it was not required to.⁴⁵ While it said that the report is not intended to fully replicate the statutory disclosure requirements of an Australian company's remuneration report, as these requirements do not apply to Xero, it nevertheless provided information beyond what is required for NZ-incorporated companies "to provide greater transparency and insight into our remuneration practices". To continuously improve the quality of its reporting and "deliver best practice ASX governance standards", Xero reiterated in its FY25 annual report that it would voluntarily publish its Remuneration Report each year.⁴⁶

Second, like many other companies, Xero uses benchmarking for setting remuneration of its NEDs and executives.⁴⁷ However, there is full disclosure of the peer companies used. For US-based executives and NEDs, it discloses the 20 companies in the US peer group. For those based in Australia and NZ, it discloses another 20 companies that form the ASX peer group. For NED fee benchmarking, it discloses another 21 companies that form the UK peer group used as a supplementary comparator.

Third, for its 2024 Annual General Meeting (AGM) held in August 2024, it put an advisory resolution to shareholders in respect of its Remuneration Report.⁴⁸ Although "say on pay" is a requirement for Australian-incorporated companies, it is not a requirement for Xero. In 2025, Xero reiterated that it would continue to voluntarily make its Remuneration Report the subject of an advisory resolution to shareholders at each AGM.⁴⁹

CEO and senior management remuneration

For its leadership team, Xero discloses that it uses Fixed Remuneration (FR), Short-Term Incentive (STI), and Long-Term Incentive (LTI) and Long-Term Equity (LTE).⁵⁰ For the STI, 50% is in cash and 50% is in deferred equity (with one-year deferral) in the form of Restricted Stock Units (RSUs). LTI is contingent on performance measures while LTE is contingent on continuing service. LTI RSUs vest at the end of a three-year performance period following grant, while LTE RSUs vest in three equal tranches annually over three years.

Key features of its STI, LTI and LTE structures are clearly disclosed; as is the link between remuneration, strategy and value creation for the STI, including choice of performance measures, weighting and rationale for the choice of measures. These are shown in Figures 2 to 4 based on the annual report for FY24 – the first financial year after Cassidy joined as CEO. Further retrospective disclosures of both STI and LTI targets were made in the FY25 annual report.⁵¹

6.3 At risk – Short-Term Incentive (STI)

STI is an at-risk component of remuneration structured to reward achievement in the financial period. The selected objectives reward delivery of key strategic and financial objectives in line with the annual business plan, and reward outcomes aligned to Xero's goals for growth and operational discipline.

We review our STI measures and weightings each year to ensure they reflect the voices of shareholders, customers and employees. The STI performance measures have been chosen to focus on growing global revenue and creating customer value and engaged teams, while delivering disciplined operational and financial outcomes. In line with this, in FY24 operating expenses as a percentage of operating revenue (OPEX ratio) was introduced as a measure. Vesting outcomes have regard to whether the leadership team member has acted in accordance with Xero's values.

- The CEO's target STI is 100% of base salary. This percentage remains unchanged from FY23. Due to changes in base salary as part of the remuneration review, the CEO's target STI increased to US\$735,000 (NZ\$1,204,918) from US\$700,000 (NZ\$1,147,541)
- The CFO's target STI is 60% of base salary. This percentage remains unchanged from FY23. Due to changes in base salary as part of the remuneration review, the CFO's target STI increased to NZ\$518,400 from NZ\$480,000

The following table provides an overview of the key features of the STI structure.

Element	Details
Purpose	Focus participants on delivery of business objectives over a one-year period
Target opportunity (% base salary as at 31 March 2024)	CEO 100%, CFO 60%
Maximum opportunity (% base salary as at 31 March 2024)	CEO 180%, CFO 108%
Performance period	Performance is measured from 1 April to 31 March
Performance measures	Performance metrics measure success in relation to our key stakeholders, reflecting the voices of shareholders, customers and employees. Each measure has a threshold, target and maximum
Financial objectives (70%)	Financial objectives reflect the voice of shareholders – net new monthly recurring revenue (MRR) and operating expense ratio (OPEX ratio) targets
Non-financial objectives (30%)	Non-financial objectives are based on: <ul style="list-style-type: none"> • voice of the customer – partner and small business NPS targets • voice of the employee – employee NPS and engagement targets
Individual modifier (applies to the overall calculated STI outcome)	Individual modifier is based on personal impact tied to the delivery of OKRs and other agreed deliverables crucial to the success of the company, the demonstration and embodiment of Xero values, and the display of leadership attributes
Target setting	Measures, weightings, and targets set at the beginning of each financial year are reviewed by the PR Committee and approved by the Board annually. Performance measures are calibrated to ensure they are aligned to our values, longer-term strategic priorities and risk appetite. They are set thoughtfully and fairly and, depending on the expected performance, may increase, decrease or stay the same from the previous year

Element	Details
Evaluation of performance	Performance against financial and non-financial objectives is determined at the end of the financial year. Financial outcomes are only confirmed after the audited results are finalised. Leadership team performance (individual modifier), including acting in accordance with Xero's values, is reviewed by the CEO in consultation with the PR Committee (and in the case of the CEO, by the Board)
Pay vehicle	50% of STI awarded is paid in cash with the remaining 50% issued in RSUs under the terms of the Xero Limited Restricted Stock Unit and Option Plan or the Xero Limited USA Incentive Scheme (as relevant)
Grant date	RSUs are typically granted annually in or around July For FY24, RSUs will be granted in July 2024
Vesting conditions	RSUs vest in May in the year following the grant date, subject to continued service and confirmation from the PR Committee that no award adjustment events have occurred
Cessation of employment	Unless the Board determines otherwise, if the leadership team member ceases employment, all unvested RSUs lapse and all STI awards not yet paid are forfeited CEO: The CEO's cash and equity STI will be forfeited if they are dismissed for cause or resign (other than for good reason or genuine retirement) unless the Board determines otherwise. If the CEO terminates their employment for good reason or their employment is terminated without cause, the cash component will be pro-rated and the equity component will remain on foot and be eligible to vest in the ordinary course (as if employment had not ceased). If the CEO ceases for any other reason the cash component will be pro-rated and the equity component will remain on foot and be eligible to vest (as if employment had not ceased), unless the Board determines otherwise
Sale of vested shares	Our people are subject to Xero's Share Trading Policy and dealing restrictions as outlined in section 4.2. Shares cannot be sold during a closed period for share trading other than in exceptional circumstances with prior approval
Change of control	The Board has broad discretion to determine the appropriate treatment of unvested RSUs on change of control. Among other things, the Board may decide to vest/lapse unvested RSUs or settle them in cash instead of shares If the Board does not exercise its discretion, unvested RSUs will vest pro-rata, based on the proportion of the vesting period that has passed at the time of the change of control and the extent to which any applicable conditions have been satisfied
Malus and clawback provisions	Adjustment, delay or withholding may occur in, but is not limited to, circumstances: <ul style="list-style-type: none"> • where an employee has acted fraudulently or dishonestly or is in material breach of their obligations • where Xero becomes aware of a material misstatement or omission in the financial statements of the Xero Group • where an executive has failed to act consistently with Xero's risk appetite and risk management priorities • in any other circumstances where the Board determines in good faith there is an unfair benefit to the employee
Dividends and voting	RSUs do not carry an entitlement to dividends or voting prior to vesting
Amendments and adjustments	Other than as set out above, the Board has discretion to make changes to the terms of RSUs, the Xero Limited Restricted Stock Unit and Option Plan, and the Xero Limited USA Incentive Scheme, subject to the law and ASX Listing Rules applicable, from time to time. The Board also has power to make adjustments to the number of RSUs in certain circumstances

Figure 2: Short-Term Incentive⁵²

Source: Xero Limited. (2024, May 23). Annual report 2024.

The percentage breakdown of each remuneration component under target and maximum total remuneration is disclosed separately for the CEO and CFO.⁵⁵ The CFO has a significantly higher weighting for FR and to some extent STI, while the CEO has a much higher weighting for LTI and LTE. For STI, the target opportunity and maximum opportunity for the CFO are 60% and 108% (relative to base salary) respectively, while for the CEO they are 100% and 180% respectively. However, it is in the LTI and LTE where the differences are most stark. For the CFO, they are 60% and 70% respectively, while for the CEO they are 571.4% and 714.3% respectively.

At the maximum pay opportunity, the CEO's variable pay would be more than eight times her base salary (for equity-related components, these would be based on accounting values).

Although performance measures relating to the customer and employees carry a 30% weighting in the STI for the CEO, it is mainly the financial measures that determines her total remuneration. For instance, assuming

6.3.1 Link between remuneration, strategy and value creation

The following table outlines the STI measures and weightings that applied to the CEO's and CFO's FY24 STI awards. The measures chosen were selected based on their alignment with our goals.

Performance measure	Weighting	Rationale for choice of measure
Voice of the shareholder (70% of total)		
 Group Net New monthly recurring revenue (MRR)	35%	<ul style="list-style-type: none"> • Key leading indicator of Xero's financial performance that represents Xero's ability to acquire new customers and penetrate the existing customer base, directly driving subscription or other recurring revenue growth • Indicates the effectiveness of Xero's sales and marketing function and the value of Xero's investment into product development • Demonstrates Xero's ability to scale and deliver sustainable sources of revenue
 Operating Expense Ratio (OPEX ratio)	35%	<ul style="list-style-type: none"> • Key financial indicator that captures the efficiency of Xero's operational spending • Demonstrates how effectively resources are being managed across the business and acts as a measure of profitability
Voice of the customer (15% of total)		
 Partner and Small Business NPS	15%	<ul style="list-style-type: none"> • Key indicator of customer and partner satisfaction • Ensures continued focus on customer retention • Drives value creation through greater stakeholder trust and customer advocacy • Drives value creation through delivery of a product experience that exceeds expectations, increased brand awareness, perception and value, including trust in the reliability and security of data
Voice of the employee (15% of total)		
 Employee NPS and Engagement	15%	<ul style="list-style-type: none"> • Key indicators of employee satisfaction • Ensures continued focus on employee engagement • Drives value creation through enhanced attraction, development and retention of top talent. Targeted initiatives and flexible ways of working to promote diversity, pay equity and an inclusive environment. Improved health, safety and wellbeing performance
Individual modifier (applies to the overall calculated STI outcome)		
 Goals tied to one or more of the company wide OKRs	Applies to the overall calculated STI outcome	<ul style="list-style-type: none"> • Key indicator of individual leadership performance • Ensures focus on achievement of goals tied to company-wide OKRs • Drives value creation through all of Xero's key outcomes

Figure 3: Performance Measures, Rationale and Weighting for Short-Term Incentive⁵³

Source: Xero Limited. (2024, May 23). Annual report 2024.

6.4 Long-Term Incentive (LTI) and Long-Term Equity (LTE)

LTI and LTE are at-risk components of leadership remuneration that are structured to reward the effective execution of Xero's strategy and sustained shareholder value creation.

The LTI and LTE plan was first introduced in FY23 and involved a shift from options to RSUs and the introduction of a performance contingent component (LTI). The Board reviewed the plan in FY24 to ensure it continues to support Xero's long-term strategy and sustained value creation. This review resulted in the introduction of free cash flow (FCF) margin and re-weighting of measures under the LTI component. The combination of revenue growth and FCF measures reflects our focus on balancing growth and profitability. The LTE component now vests in equal thirds, annually over a three-year period. We have determined this vesting approach taking into account both ASX practice and US practice where time-based RSUs with a quarterly vest are the norm.

- The CEO's target LTI and LTE is US\$4,000,000 (NZ\$6,557,377). This remains unchanged from FY23
- The CFO's target LTI and LTE is 60% of base salary. This percentage remains unchanged from FY23. Due to changes in base salary as part of the remuneration review, the CFO's target LTI and LTE increased to NZ\$518,400 from NZ\$480,000

The following table provides an overview of the key features of the LTI and LTE structure.

Element	Details
Purpose	Rewards delivery against longer-term strategy and sustained value creation. Provides alignment between shareholder, customer, and leadership team outcomes and time-based retention through multi-year vesting
Target opportunity (% base salary as at 1 July 2023)	CEO 571.4%, CFO 60%
Maximum opportunity (% base salary as at 1 July 2023)	CEO 714.3%, CFO 75%
Pay vehicle	LTI and LTE are provided in the form of RSUs under the Xero Limited Restricted Stock Unit and Option Plan or the Xero Limited USA Incentive Scheme (as relevant). The number of RSUs granted is calculated by reference to the LTI and LTE value (% of base salary) divided by the 30-day volume weighted average price (VWAP) of Xero shares on the grant date
Grant date	RSUs are typically granted annually in or around July For FY24, RSUs were granted in August 2023 for the CEO and CFO
Vesting conditions	LTI and LTE split at maximum is 60% and 40%, respectively LTI – value is contingent on performance targets over a three-year period (commencing 1 April 2023 and ending 31 March 2026). RSUs under the LTI component vest once tested in or around May at the end of the three-year performance period LTE – value is contingent on service (being employed and not having resigned on the vest date). RSUs under the LTE component vest in equal thirds in May each year following the year in which they are granted Performance contingent component measures and weightings: <ul style="list-style-type: none"> • Operating revenue growth - 37.5% • Free cash flow (FCF) margin - 37.5% • Relative total shareholder return (rTSR) - 25% LTI granted for FY24 will vest, once tested, on or around 31 May 2026 LTE granted for FY24 will vest in three equal tranches on or around 31 May 2024, 2025 and 2026
Cessation of employment	In the event of termination, all unvested RSUs are forfeited unless the Board determines otherwise CEO: The CEO's LTI will be forfeited if they are dismissed for cause or resign (other than for good reason or genuine retirement) unless the Board determines otherwise. If the CEO terminates their employment for good reason or their employment is terminated without cause, a pro-rata amount of LTI will remain on foot and be eligible to vest in the ordinary course (as if employment had not ceased). If the CEO ceases for any other reason, a pro-rata amount of LTI will remain on foot and be eligible to vest in the ordinary course (as if employment had not ceased) unless the Board determines otherwise
Sale of vested shares	Employees are subject to Xero's Share Trading Policy and dealing restrictions as outlined in section 4.2. Shares cannot be sold during a closed period for share trading other than in exceptional circumstances with prior approval
Change of control	The Board has broad discretion to determine the appropriate treatment of vested shares and unvested RSUs on a change of control. Amongst other things, the Board may decide to vest/lapse unvested RSUs or settle them in cash instead of shares If the Board does not exercise its discretion, unvested RSUs will vest pro-rata based on the proportion of the vesting period that has passed at the time of the change of control and the extent to which any applicable conditions have been satisfied

Figure 4: Long-Term Incentive and Long-Term Equity⁵⁴

Source: Xero Limited. (2024, May 23). Annual report 2024.

she makes the target opportunity for both the STI and LTI (and ignoring her individual modifier and the ability of the Board to exercise discretion), the 30% weighting for these measures would only have a 4.5% impact on her total variable remuneration.

Xero also disclosed the 44 peer companies that are in the Nasdaq Emerging Cloud (EMCLOUD) as at 1 April 2023 used as the FY24 peer group for determining Xero's relative TSR, which is one of the vesting conditions for the LTI.⁵⁶

The outcomes achieved for the STI are also clearly disclosed, as shown in Figure 5. Xero also provided a summary of overall STI outcomes: “[FY24] [o]verall calculated STI outcomes resulted in plan achievement of 87.8%. This reflects a pleasing operating result in FY24, highlighted by strong revenue growth balanced with significantly improved profitability, while also acknowledging mixed outcomes against customer measures and employee targets following the reshaping of our organisational structure as announced in FY23. Following individual performance assessments, this resulted in the CEO being awarded 105.4% and the CFO being awarded 87.8% of their STI target opportunity.”⁵⁷ In FY25, this decreased to 98.1% and 78.5% respectively.⁵⁸

9. STI outcomes in detail

The annual outcomes achieved for the CEO and CFO are based on Xero's FY24 performance as set out below. Overall calculated STI outcomes may range from 0%–180%.

Objectives	Weighting	Commentary	Outcome (% of target)	Outcome (% of max)
Voice of the shareholder	70%	Net new MRR was \$28.7m. This was below target OPEX ratio was 73.3%. This was better than target	97%	65%
Voice of the customer	15%	Partner NPS was above target for FY24 Small business NPS was below target for FY24	101%	68%
Voice of the employee	15%	Employee NPS was below target for FY24* Employee Engagement was below target for FY24 at 7.5**	31%	21%
Individual modifier	Applies to the overall calculated STI outcome	The individual modifier (0%–120%) is based on delivery of OKRs and other agreed deliverables crucial to the success of the company, agreed between the CEO and the Board for the CEO, and the CEO and the CFO for the latter	100%–120%	83%–100%
Total outcome (CEO)			105.4%	58.6%
Total outcome (CFO)			87.8%	48.8%

*Employee NPS was impacted by our restructuring program to better balance growth and profitability and to strengthen Xero for the future, as announced in March 2023

**Engagement has been trending upwards since the completion of the reshaping of our organisational structure and the way we work across functions. We are continuing to focus on initiatives that reaffirm our purpose, develop and protect our culture and cultivate our talent

Figure 5: Short-Term Incentive Outcomes⁵⁹

Source: Xero Limited. (2024, May 23). Annual report 2024.

Figure 5 also shows how the individual modifier based on delivery of Objectives and Key Results (OKRs) and other agreed deliverables were applied for the CEO and CFO. This adjusts the achievement of company outcomes to individual outcomes in order to determine the payout under the STIs.

Even though there were “mixed outcomes” for customer and employee measures, with small business net promoter score (NPS), employee NPS and employee engagement below target for FY24, with employee measures being only 31% of target, the CEO was still assessed as achieving a total outcome of 105.4% after the application of the individual modifier.⁶⁰ The Board has attributed the below-target performance for those measures to a “reshaping of the organisation structure”. While the small business NPS remained below target in FY25, employee engagement was between threshold and target, potentially due to the introduction of initiatives such as a new performance and capability framework.⁶¹

For FY24, the CEO was assessed as having done better than the CFO.⁶² The individual modifier for the STI outcomes for the CEO was agreed between the CEO and the Board, while that for the CFO was between the CEO and the CFO. However, the FY25 annual report did not mention this information. It only stated that the leadership team performance, as reflected by the individual modifier, was reviewed by the CEO in consultation with the PR Committee, while for the CFO it was reviewed with the Board.⁶³ This was also mentioned in the FY24 annual report.⁶⁴

For FY24, which was Cassidy’s first full year as CEO, her total remuneration was NZD7.196 million, while the CFO received NZD1.918 million.⁶⁵ The total remuneration comprised the salary, pension and cash STI, and the accounting values of options and RSU grants based on applicable accounting standards. In FY25, Cassidy received NZD9.062 million while the CFO received NZD2.102 million.⁶⁶

On 19 September 2024, the company announced that the CFO was leaving after nine years, including more than six years as CFO.⁶⁷ The CFO had just won the CFO of the Year at Deloitte Top 200 Awards for ASX-listed companies.

On 13 February 2025, Xero announced that Claire Bramley would be stepping in as the new CFO, bringing with her global technology and software experience.⁶⁸ Previously, Claire had held multiple leadership roles at HP Inc for more than 14 years before becoming the CFO of Teradata, NYSE-listed global cloud database and analytics software provider. Like Cassidy, Claire is also based in the US. She received a base salary of USD520,000 and TTR of USD6,040,000 that were set by reference to the US peer group.⁶⁹ In addition, a sign-on bonus was granted to “compensate for equity and other compensation forgone with her previous employer and smooth out annual realisable pay during years one and two, given the back end weighting of Xero’s three year LTI plans”.⁷⁰

Malus/clawback provisions and board discretion

For the STI, LTI and LTE, the company disclosed that there are malus/clawback provisions, under which there may be adjustment, delay or withholding of remuneration under certain circumstances, including but not limited to fraudulent or dishonest conduct or material breach of their obligations by the employee; material misstatement or omission in the financial statements of the group; failure of an executive to act consistently with Xero’s risk appetite and risk management priorities; and any other circumstances where the Board determines in good faith there is an unfair benefit to the employee.⁷¹

The Board has broad discretion in implementing the remuneration policy, including but not limited to, making changes to the terms of the RSUs and various equity-based plans, and adjusting the number of RSUs in certain circumstances.⁷²

Contentious remuneration components

The NZSA praised Xero's remuneration disclosures in its FY24 annual report (for the year ending 31 March 2024), calling it "amongst the best for a New Zealand company."⁷³ It also said that it would vote undirected proxies in favour for all four resolutions at the FY24 AGM, including the advisory resolution for the Remuneration Report.

However, NZSA flagged two issues. Xero uses two types of long-term share-based remuneration, Long-Term Incentive (LTI) and Long-Term Equity (LTE), split under the maximum remuneration into 60% and 40% respectively for both the CEO and CFO. Xero clearly disclosed that only the LTI is performance-based and has performance measures for vesting. The performance measures are operating revenue growth (37.5%), free cash flow (FCF) margin (37.5%) and relative total shareholder return (rTSR) (25%), with performance based on a three year period, whereupon it will then vest if performance measures are achieved. This remained unchanged in FY25.⁷⁴

The LTE, on the other hand, is a pure retention tool, with no performance conditions. They vest in three equal tranches over three years.

NZSA said: "We have commented previously on how the level of absolute payment related to LTI vesting has potential to create some political risk, and that we would encourage Xero to consider applying caps on the value (or number of options) associated with its share-based payments. However, we also note that Xero's CEO remuneration framework is likely to be comparable with similar companies in the US market."⁷⁵

The second issue flagged by NZSA is that the CEO received an initial equity grant of 463,308 options when she joined in November 2022. These options vest in three tranches at the one year, two year and three-year anniversary of employment. NZSA said it does not support such payments as they reward tenure rather than actual performance. However, it again noted that Xero's CEO is based in the US and that such awards are common there. As Xero pointed out in its FY24 annual report, "the exercise price acts as a built-in hurdle to drive longer-term strategy and sustained value creation."⁷⁶

The issues raised by NZSA highlight a dilemma for Xero. By adopting US-style remuneration practices because it is recruiting talent from there, it may alienate shareholders who do not subscribe to such practices. This may explain why, despite NZSA voting its undirected proxies in favour of the advisory resolution relating to the Remuneration Report for the FY24 AGM, 22.46% of the total votes cast was against the Remuneration Report.⁷⁷

Later, in response to engagement with shareholders and proxy firms regarding the CEO's remuneration review, the Chair of the Remuneration Committee included several clarifications in her letter to shareholders as part of the FY25 Remuneration Report.⁷⁸ The clarifications contextualised the revised US-style remuneration package and explained how it did in fact align with Xero's compensation philosophy.

In particular, Xero provided more information on why the LTE plans are common in US-style remuneration packages and explained that they should be viewed as a form of deferred base pay, thus aligning executive rewards with the interests of shareholders. It also clarified that the LTE was service-based, and the combination of awarding LTI and LTE would result in at least 10% more of the CEO's pay being performance-based or linked to share price performance as compared to the past. Furthermore, Xero explained that the option grant did ultimately align with its "pay-for-performance" compensation philosophy given that Cassidy would only benefit financially if the Xero share price were to exceed AUD171.11, thus only rewarding positive share price performance. Visual aids were also included to clearly illustrate the option mechanism.

Xero is not required to include this resolution because it is incorporated in NZ, even though it is listed on ASX. The percentage of votes against is very close to the 25% threshold that would result in a strike under the "two strikes" rule for Australia-incorporated companies.

On 21 August 2025, Xero will hold its AGM for FY25 when its remuneration report will once again be put to an advisory vote. It would be interesting to see if the clarifications and additional information provided by the company following last year's AGM will help reduce the percentage of shares voting against this resolution.⁷⁹

Changes in CEO remuneration

On 18 December 2024, Xero disclosed that the Board had revised the remuneration of its CEO, Cassidy, "to recognise her strong performance, ensure it is appropriately aligned to market benchmarks for comparable technology companies, and that it continues to focus on long-term value creation."⁸⁰

The Board praised her "exceptional contribution" since joining Xero. It cited "revenue growth above 20%, increased cash flow margin to 21% and a Rule of 40 of 41.0% and 43.9% in FY24 and H1 FY25 respectively", and Total Shareholder Return (TSR) of 161%⁸¹. Indeed, it was later announced that Xero had achieved a greater than Rule of 40 outcome of 44.3% in FY25.⁸² [The Rule of 40 is a financial metric used to evaluate a SaaS company's balance between growth and profitability. Under the rule, a company's revenue growth rate plus its profit margin should be at least 40%.]

The changes will lift Cassidy's remuneration to a potentially much higher level. The Board said that in reviewing Cassidy's package, it "applied Xero's remuneration principles of performance, scope and criticality of role, and location. [It] also took into account: the strong performance delivered by [Cassidy] during her first two years, the commitment given to her that her remuneration would be reviewed in line with her performance, extensive global benchmarking data, and feedback from consultation with a range of stakeholders on the construction of the package including institutional investors and proxy firms."⁸³

As a result, Cassidy's remuneration will be brought "in line with a benchmark group by moving future Total Target Remuneration (TTR) (base salary, STI, LTE and LTI) from the 10th percentile to the median, and granting a top-up allocation of options to bring her total equity exposure to the median of the group (excluding founder CEOs). The benchmark group comprises US-based CEOs of globally comparable companies in the technology sector."⁸⁴ Xero provided detailed disclosures of the material terms of the CEO's updated employment agreement, the peer companies that are used, and a comparison of the amount and positioning for each remuneration component under her previous agreement and the updated agreement.

As a result of moving her target remuneration from the 10th percentile to the median, her total target annual remuneration will increase from USD8.8 million to USD15.2 million. Her annual base salary will be reduced from USD735,000 to USD540,000 and her target total cash remuneration (including target bonus) will decrease from USD1.47 million to USD1.08 million. However, her target LTI will nearly double, from USD7.333 million to USD14.12 million. Her maximum opportunity for the STI will remain at 180%.

Based on Xero's disclosures, there does not appear to be any changes in the performance measures used for the STI and LTI, or their weightings. With STI declining in importance, this will mean that the customer and employee performance measures in the STI will have even less impact on her total remuneration.

Xero also made another one-off grant of 575,000 "at-the-money" options, with a fair value of USD26.49 million. NZSA had flagged concerns about the previous one-off grant to the CEO when she joined the company but accepted that this is a common US practice.⁸⁵ Like the earlier grant, this grant will vest in three equal tranches annually following the grant date. However, for this new grant, each vested tranche "will be subject to a further holding restriction post vest such that 33% of the grant will be restricted until December 2027 and 67% until December 2028".⁸⁶ Xero explained in its FY25 annual report that the "non-market standard" hold period was put in place to demonstrate the CEO's commitment to delivering shareholders long-term value.⁸⁷ The new grant is to bring the CEO's total equity exposure to the median of the benchmark group.⁸⁸ Xero pointed out that this is not typical in the US.⁸⁹

Share trading policy

Like many ASX-listed companies, Xero has a share trading policy which was last updated on 1 August 2024 although most of the elements were already in place.⁹⁰

The policy sets out a list of examples of inside information. It contains a “Front Page Test” which states that before a person covered by the policy deals in the company’s securities, they should ask themselves this question: “If the market were aware of all the current circumstances, could I be perceived to be taking advantage of my position in an inappropriate way? How would it look if the dealing were reported on the front page of the newspaper or online?”

It states that where clearance is required to deal under the policy, approval will not be granted where the dealing would not meet the Front Page Test. If unsure, the person should consult the Company Secretary or their delegate.

The closed periods are until 10 am Sydney time on the next trading day after the full-year or half-year results are released, or any other period that the Board sets from time to time.

“Designated Persons” must request clearance to deal in Xero securities at all times. Designated Persons comprise a director or CEO of Xero; a direct report of the CEO or someone who reports to a person who reports directly to the CEO; a person on the list of Designated Persons maintained by the Company Secretary team; or anyone notified that they are subject to trading restrictions under the policy.

Figure 6 shows who will give clearance for each category of Designated Person.

The person who will consider your request for clearance will depend on your role:

Person seeking clearance:	Clearance required from:
Chair	Chair of the Audit and Risk Management Committee and Company Secretary or their respective delegates
Director, CEO or CFO	Chair and Company Secretary or their respective delegates
Company Secretary	Chair and CEO or their respective delegates
All other Designated Persons	Company Secretary or delegate

The person who considers your clearance request may (and non-executive directors typically should) consult with members of management, as appropriate.

Figure 6: Clearance for Share Trading by Designated Persons⁹¹

Source: Xero Limited. (2024, August 1). Xero Limited: Share Trading Policy.

A culture change?

While the revised remuneration policy potentially increases the CEO pay very significantly, the Board has provided very clear justifications as to why it believes the company needs to adopt US-style remuneration policy for its CEO and align her remuneration level to those of her US peers. It has also tried to make certain adjustments to take into account the expectations of non-US stakeholders.

However, the question is whether the revised remuneration policy will lead to a significant transformation of its culture – for better or worse.

Discussion questions

1. To what extent do you think good corporate governance and transparency has contributed to the success of Xero? Explain.
2. Discuss how Xero transitioned from a founder-led company to a professionally-managed company and the major lessons that other founder-led companies can draw from Xero's experience.
3. What are the essential elements of good succession planning for a CEO? Who should lead succession planning for the CEO? To what extent should the CEO be involved in planning his own succession and choosing his succession? Critically evaluate how Xero has managed the succession of its CEO.
4. Critically evaluate the board structure and composition of Xero.
5. Xero has a wholly non-executive Board of Directors, with the CEO being a non-board member after it professionalised. Is this a good practice? Explain.
6. After the founder-CEO retired, he remained on the Board as a non-executive director. Do you think this is generally a good practice? Is it reasonable for Xero to retain the CEO as a non-executive director after he stepped down as CEO? Explain.
7. Critically evaluate the remuneration policies and disclosures for Xero's non-executive directors and senior management.
8. How can remuneration policy affect a company's culture? Do you think the change in the remuneration policy will change Xero's culture and is this for the better or worse? Explain.
9. Critically evaluate the investor communications and shareholder engagement practices of Xero particularly relating to its remuneration policy for senior management.

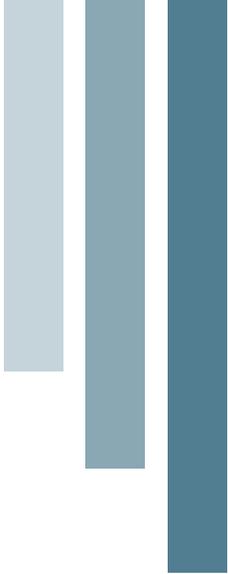
Endnotes

- 1 Business Insider. (2017, September 13). The untold story: how Xero took a band name and changed accounting for a million companies. Retrieved from <https://www.businessinsider.com/the-untold-story-how-xero-took-a-band-name-and-changed-accounting-for-a-million-companies-2017-9>
- 2 *Ibid.*
- 3 *Ibid.*
- 4 *Ibid.*
- 5 *Ibid.*
- 6 Wikipedia. (n.d.). Xero (company). Retrieved from [https://en.wikipedia.org/wiki/Xero_\(company\)#:~:text=In%202006%2C%20Xero%20was%20founded,was%20originally%20called%20Accounting%202.0](https://en.wikipedia.org/wiki/Xero_(company)#:~:text=In%202006%2C%20Xero%20was%20founded,was%20originally%20called%20Accounting%202.0)
- 7 *Ibid.*
- 8 *Ibid.*
- 9 Simply Wall Street. (2024, October 30). Xero Limited's (ASX:XRO) top owners are individual investors with 59% stake, while 33% is held by institutions. Retrieved from <https://simplywall.st/stocks/au/software/asx-xro/xero-shares/news/xero-limiteds-asxxro-top-owners-are-individual-investors-wit>
- 10 Xero Limited. (n.d.). Xero Limited. Retrieved from <https://www.asx.com.au/markets/company/XRO>
- 11 nil
- 12 Xero Limited. (2018, July 10). Xero announces executive changes. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2995-01998211-3A496303&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 13 Xero Limited. (2023, July 3). Xero announces changes to board of directors. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02682008-3A620982&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 14 Xero Limited. (n.d.) Board of directors. Retrieved from <https://www.xero.com/sg/about/board/>
- 15 *Ibid.*
- 16 Xero Limited. (n.d.) Executive leadership team. Retrieved from <https://www.xero.com/sg/about/team/>
- 17 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 18 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 19 New Zealand Shareholders Association. (2024, August 2). Xero Limited. Retrieved from https://www.australianshareholders.com.au/wp-content/uploads/2024/08/2024_XRO_ASM.pdf
- 20 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 21 Xero Limited. (n.d.) Board of directors. Retrieved from <https://www.xero.com/sg/about/board/>
- 22 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 23 *Ibid.*
- 24 Xero Limited. (2023, May 18). Annual report 2023. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02667178-3A618524&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 25 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 26 *Ibid.*
- 27 *Ibid.*
- 28 *Ibid.*
- 29 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 30 *Ibid.*

- 31 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 32 Xero Limited. (2018, May 10). Annual report 2018. Retrieved from <https://announcements.asx.com.au/asxpdf/20180510/pdf/43txj8q1vgxm08.pdf>
- 33 *Ibid.*
- 34 *Ibid.*
- 35 Xero Limited. (2023, May 18). Annual report 2023. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02667178-3A618524&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 36 Yahoo Finance. (n.d.). Xero Limited (XRO.AX). Retrieved from <https://sg.finance.yahoo.com/quote/XRO.AX/>
- 37 *Ibid.*
- 38 *Ibid.*
- 39 *Ibid.*
- 40 *Ibid.*
- 41 Yahoo! Finance. (2025, May 16). Xero Limited just missed earnings – but analysts have updated their models. Retrieved from <https://finance.yahoo.com/news/xero-limited-just-missed-earnings-050545527.html>
- 42 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 43 Yahoo! Finance. (2025, May 16). Xero Limited just missed earnings – but analysts have updated their models. Retrieved from <https://finance.yahoo.com/news/xero-limited-just-missed-earnings-050545527.html>
- 44 Yahoo! Finance. (n.d.). Xero Limited (XRO.AX). Retrieved from <https://sg.finance.yahoo.com/quote/XRO.AX/>
- 45 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 46 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 47 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 48 Xero Limited. (2024, July 19). 2024 notice of annual meeting and proxy form. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02829414-3A646219&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 49 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 50 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 51 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 52 *Ibid.*
- 53 *Ibid.*
- 54 *Ibid.*
- 55 *Ibid.*
- 56 *Ibid.*
- 57 *Ibid.*
- 58 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 59 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 60 *Ibid.*

- 61 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 62 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 63 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 64 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 65 *Ibid.*
- 66 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 67 Xero Limited. (2024, September 19). Xero announces CFO transition at end of FY25. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02854428-3A650942&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 68 Xero Limited. (2025, February 13). Xero appoints Claire Bramley as chief financial officer. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02912387-3A661508&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 69 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 70 *Ibid.*
- 71 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 72 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 73 New Zealand Shareholders Association. (2024, August 2). Xero Limited. Retrieved from https://www.australianshareholders.com.au/wp-content/uploads/2024/08/2024_XRO_ASM.pdf
- 74 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 75 New Zealand Shareholders Association. (2024, August 2). Xero Limited. Retrieved from https://www.australianshareholders.com.au/wp-content/uploads/2024/08/2024_XRO_ASM.pdf
- 76 Xero Limited. (2024, May 23). Annual report 2024. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02809616-3A642977&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 77 Xero Limited. (2024, August 22). Results of 2024 annual meeting. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02841896-3A648468&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 78 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 79 Listcorp. (2025, July 17). Notice of annual general meeting/ proxy forms. Retrieved from <https://www.listcorp.com/asx/xro/xero-limited/news/notice-of-annual-general-meeting-proxy-form-3214820.html>
- 80 Xero Limited. (2024, December 18). Xero CEO pay revised, aligns to performance and global peers. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02896168-3A658434&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 81 *Ibid.*
- 82 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 83 Xero Limited. (2024, December 18). Xero CEO pay revised, aligns to performance and global peers. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02896168-3A658434&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 84 *Ibid.*

- 85 New Zealand Shareholders Association. (2024, August 2). Xero Limited. Retrieved from https://www.australianshareholders.com.au/wp-content/uploads/2024/08/2024_XRO_ASM.pdf
- 86 Xero Limited. (2024, December 18). Xero CEO pay revised, aligns to performance and global peers. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02896168-3A658434&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 87 Xero Limited. (2025, May 15). Annual report 2025. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02946805-3A668131&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 88 Xero Limited. (2024, December 18). Xero CEO pay revised, aligns to performance and global peers. Retrieved from <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02896168-3A658434&v=4a466cc3f899e00730cfbfd5ab8940c41f474b6>
- 89 *Ibid.*
- 90 Xero Limited. (2024, August 1). Xero Limited: Share Trading Policy. Retrieved from <https://www.xero.com/content/dam/xero/pdfs/governance/xero-share-trading-policy-august-2024.pdf>
- 91 *Ibid.*



CITY DEVELOPMENTS: GOVERNANCE GETS BITTEN*

Case overview

In February 2025, City Developments Limited (CDL), one of the most well-known family companies in Singapore, was thrust into the spotlight when it was reported that Mr Kwek Leng Beng, the Executive Chairman, had filed a lawsuit against his son Mr Sherman Kwek, who is the Group CEO, and six other directors. His allegations concerned governance lapses and an attempted board “coup”, centred around the rushed appointment of two new independent directors to the Board. This latest saga came less than five years after CDL lost about S\$1.9 billion from its investment in Chongqing-based Sincere Property Group. Several directors had resigned then due to disagreement related to that investment.

The objective of this case study is to facilitate discussion of issues such as corporate governance of family-controlled companies; appointment of independent directors; board composition; roles and responsibilities of independent directors; compliance with corporate governance rules, codes and good practices; and the role of institutional investors and proxy advisory firms.

How the City was built

Founded on 7 September 1963,¹ City Developments Limited (CDL) is a real estate company whose principal activities are acquiring, developing, and selling properties. In November that same year, it went public, listing its shares on the Singapore Exchange (SGX), then known as the Malayan Stock Exchange.² CDL made losses for the first seven years of operations.³

In 1969, Hong Leong Group, founded and led by Mr Kwek Hong Png, started investing in CDL.⁴ It appointed three directors – Mr Kwek Leng Beng (Leng Beng), Mr Sim Miah Kian, and Mr Chow Chiok Hock⁵ – to the CDL Board, and injected funds into the troubled company. In 1972, Hong Leong Group acquired a controlling stake in CDL.⁶ Through strategic diversification, CDL managed to grow rapidly, expanding its portfolio of properties which ranged from residences to shopping malls.

* This case study was written by Professor Mak Yuen Teen, with editorial assistance provided by Tan Xin Lin Amanda. The case was developed from published sources and commentaries written by Professor Mak solely for class discussion, and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

The Hong Leong Group owns approximately 49% of CDL, with the rest owned by the public.⁷ Figure 1 shows how the Kwek family controls CDL. Figure 2 shows the Kwek family members who are behind CDL.

CDL shareholding structure

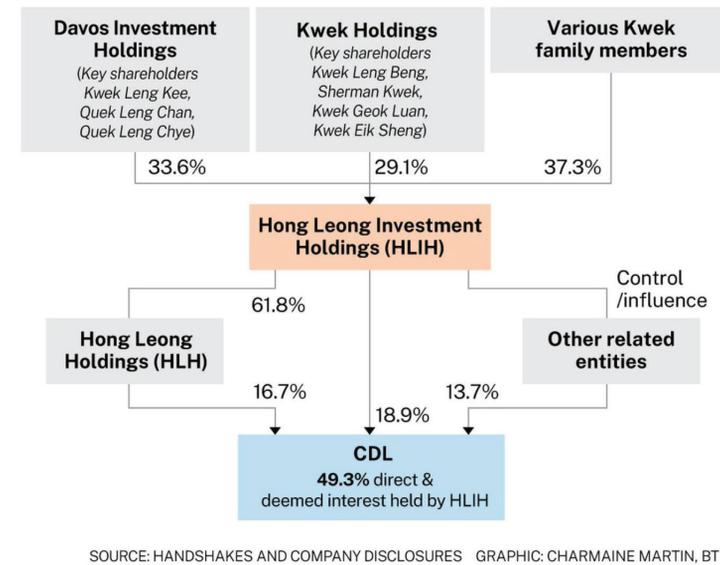


Figure 1: Family Holdings in CDL⁸

Source: *The Business Times* (2025, March 3). *CDL Saga: Quek Leng Chan Possible Kingmaker.*

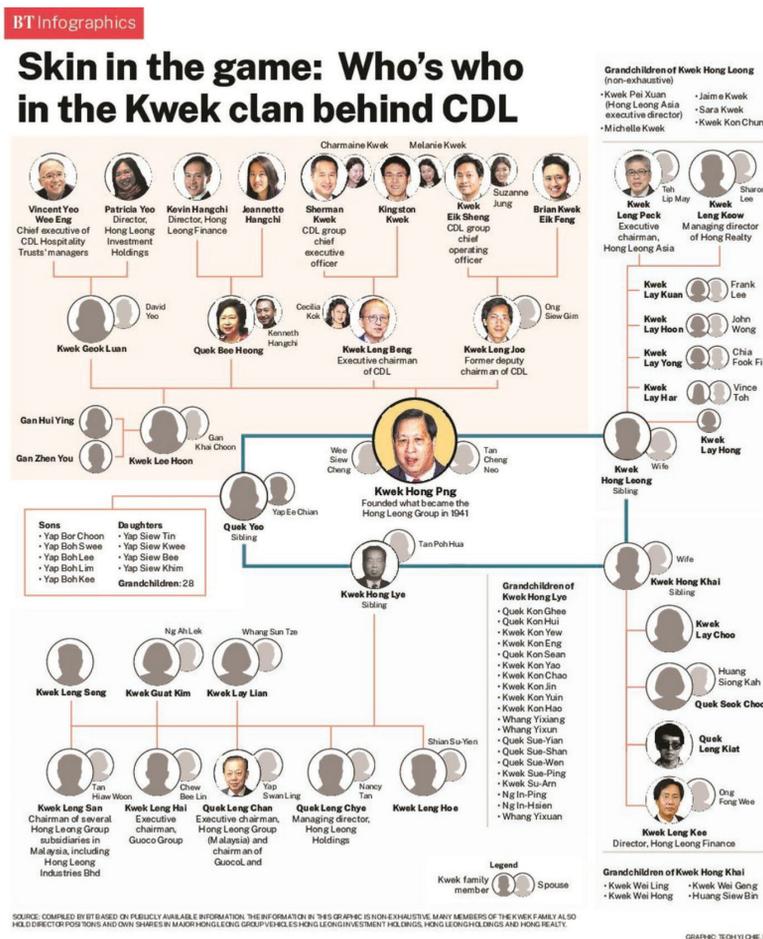


Figure 2: Kwek Clan Behind CDL⁹

Source: *The Business Times* (2025, March 1). *Dynasty: Who's who in the Kwek family tree behind CDL, Hong Leong.*

CDL has over 600 subsidiaries and associated companies, spanning across 29 countries globally.¹⁰ Figure 3 shows its corporate structure as of February 2025. Its market capitalisation of about S\$5.50 billion as at 31 July 2025¹¹ makes it one of the largest companies in Singapore.

CORPORATE STRUCTURE

AS OF 28 FEBRUARY 2025



Figure 3: Corporate Structure of CDL

Source: City Developments Limited. (2022). Market capitalization of City Developments (C09.SI).

The Man

Leng Beng first joined the Hong Leong Group in the 1960s to work with his father. He led Hong Leong Group's takeover of CDL in 1972. CDL then expanded its portfolio to include high profile industrial and commercial developments with the support of the Hong Leong Group.

In the early 1990s, CDL took advantage of the collapse in hotel prices and acquired hotels globally, including London's Gloucester Hotel and New York City's Hotel Millennium. By 2006, hotel operations had generated 72% of the Group's total revenue, and over the next three decades, CDL transformed into a property conglomerate.^{12,13}

Leng Beng joined CDL's Board in October 1969 and became Executive Chairman in January 1995, after his father's death.¹⁴ He is also the Chairman and Managing Director of Hong Leong Finance Limited, and Executive Chairman of Hong Leong Investment Holdings Pte. Ltd. – the immediate and ultimate holding company of CDL – and of Millennium & Copthorne Hotels Limited.¹⁵

Transition in family management

“[I am] not averse personally to getting an outsider to come and run the company...if my relatives or my son cannot perform.”

– *Kwek Leng Beng, Executive Chairman of CDL*¹⁶

In January 2014, CDL appointed an outsider, Australian Mr Grant Kelley (Grant), as Leng Beng wanted to steer CDL towards a focus on overseas property in view of the weak domestic property market.¹⁷ Grant was a veteran with twenty five years of experience in managing private-equity real estate investments and management consulting, and was formerly from Apollo Global Management and United States (US) fund Colony Capital. He has a master's degree in international relations from the London School of Economics and a master's in business administration from Harvard Business School.¹⁸

Leng Beng said that Grant would “bring fresh perspectives to a rapidly changing and competitive business landscape”.¹⁹ Under Grant's leadership, CDL launched an initiative to expand into overseas growth markets. He pushed ahead with a diversification plan dubbed the “5-5-5 strategy” and returned CDL to a sustainable growth trajectory. The aim of the strategy was to have S\$5 billion in overseas property acquisitions and S\$5 billion of funds under management within five years.²⁰

In April 2014, the third-generation members of the Kwek family – Mr Sherman Kwek (Sherman) and Mr Kwek Eik Sheng (Eik Sheng) – were appointed to senior management positions. Sherman was appointed as Chief Investment Officer while Eik Sheng took up the role of Chief Strategy Officer.²¹ These appointments were made in preparation for succession from the second to the third generation of the Kwek family.²² Sherman is the son of Leng Beng, while Eik Sheng is the son of former CDL Deputy Chairman Kwek Leng Joo (Leng Joo).²³

Sherman was also appointed as the CEO of CDL's subsidiary, CDL China Ltd.²⁴ He helped build CDL's presence in Japan and Australia and led the expansion into the China market, helping CDL obtain prime sites in Shanghai, Suzhou, and Chongqing.²⁵

Before joining CDL, Sherman was the CEO of City e-Solutions Limited, a Hong Kong-listed company that was formerly a subsidiary of the Group. Prior to that, he was the Chief Operating Officer of Thakral Corporation Ltd. and an Executive Director of HL Global Enterprises Limited, both listed companies in Singapore. Early in his career, he worked in technology venture capital, investment banking, hospitality management and real estate private equity. He is also a director of the manager for Singapore-listed IREIT Global.²⁶

Sherman graduated from Boston University with a Bachelor of Science in Business Administration, majoring in Finance and Marketing with a minor in Psychology. He has worked in New York, Hong Kong, Shanghai and Singapore.²⁷

In September 2016, Sherman became the Deputy CEO. Although he relinquished his positions as Chief Investment Officer and CEO of CDL China, he oversaw the Group's operations in China through his appointment as Chairman of CDL China's board.²⁸

On 11 August 2017, Sherman was named CEO-designate of CDL after Grant resigned as the CEO.²⁹ He became Group CEO on 1 January 2018.³⁰

A Sincere mis-step

In May 2019, CDL decided to invest in Sincere Property Group (SPG), one of China's top hundred real estate developers, by acquiring a 24% equity stake for RMB5.5 billion (approximately S\$1.1 billion).³¹ CDL also extended a S\$540.6 million loan to SPG and bought another S\$311.6 million in bonds issued by SPG with a three-year maturity period.³² As at 31 December 2019, the loan granted and bonds amounted to approximately S\$852 million, representing 14% of CDL's financial assets.³³

On 15 April 2020, CDL entered into a definitive agreement to acquire a 51.01% joint controlling interest in SPG for RMB4.39 billion (approximately S\$0.88 billion). CDL would also have a call option to purchase an additional 9% effective interest in SPG for RMB 0.77 billion (approximately S\$0.16 billion). CEO Sherman said the deal would "transform the group's scale and firmly establish CDL as a major player in China's property sector", taking CDL's presence in China from three cities to eighteen.³⁴

However, half a year later, long-time Board member Mr Kwek Leng Peck (Leng Peck), Leng Beng's cousin, resigned as CDL's non-independent non-executive director (NINED), citing the following reasons:³⁵

- i. disagreements with the board and management in relation to the Group's investment in SPG as well as its continued provision of financial support to SPG; and
- ii. reservations with the Group's approach in the management of Millennium & Copthorne Hotels Limited.

CDL lost approximately eight percent of its market value in the week following the announcement.³⁶

After the resignation of Leng Peck, three independent directors (IDs) followed suit in quick succession, citing an investment disagreement as the reason for their departures.³⁷ Separately, another ID decided not to seek re-election at the company's Annual General Meeting (AGM) on 30 April 2021 after having served on the board for over nine years.³⁸

The investment into SPG turned out to be a disaster due to the COVID-19 pandemic and 'three red lines' policy introduced by the Chinese government, which delayed many of SPG's projects. In April 2020, CDL had renegotiated the terms of its joint venture, effectively giving it a substantial valuation discount.³⁹ CDL provided a business update in May 2021 that SPG was still facing liquidity challenges at that point of time and was "working to speed up collections, asset sales and divestments to raise funds".⁴⁰

CDL eventually impaired 93% of its total investment in SPG, which amounted to S\$1.78 billion.⁴¹ This resulted in CDL reporting a net loss of S\$1.8 billion in 2020, the worst financial performance in its history. Other losses came from the impairment losses for CDL's hotels and investment properties of S\$99.5 million and the allowance for foreseeable losses for development projects of S\$35.0 million. These latter losses were mainly due to the COVID-19 pandemic adversely impacting the hotel industry. After the losses were announced on 26 February 2021, CDL's shares fell by S\$0.15 or two percent to close at S\$7.36 that day.^{42,43}

SPG's difficulties continued in 2021, with one of its creditors, Beijing Yi He Mercury Investment, filing a bankruptcy claim against it in a Chongqing court in July.⁴⁴

On 10 September 2021, CDL announced the divestment of its interest in SPG.⁴⁵ CDL sold its 63.75% stake in HCP Chongqing Property Development Co., Ltd, which holds 80.01% of SPG, to an unrelated third party for US\$1.⁴⁶ The consideration took into account the liquidity issues of SPG, as well as its anticipated bankruptcy.⁴⁷ The announcement stated that the CDL Board felt that the decision was "in the best interests of the Group as these allow the Group to exit its investment in Sincere, and avoid being engaged in a possibly long drawn bankruptcy reorganisation of Sincere".⁴⁸

On 13 September 2021, the Monday following the announcement, CDL's share price rose by 5.4% to S\$7.03.⁴⁹

“The reality is that such investments would have required board approval, and the directors who approved the investments would also bear some responsibility. However, even the best boards can make bad commercial decisions and even if some directors disagree with decisions, it does not mean that decisions were wrong at the time they were made. It also does not mean that all the directors who stayed behind agreed with the decision as not all board decisions are based on consensus...To put the decision to invest in SPG into perspective, it was only in August 2020 that the Chinese government introduced the “three red lines” policy which capped three different debt ratios for the real estate sector. This was what ultimately brought the sector in China to its knees. It came only after CDL's entry into a definitive agreement in April 2020 to acquire a 51.01% controlling interest in SPG, with an option to purchase another nine percent for about S\$0.16 billion.

Nevertheless, the Chinese property market was already in some trouble when CDL started its big acquisition move, which became more evident by the time it entered into the definitive agreement. For example, Chinese property giant Evergrande saw its year-on-year revenue growth fall from a high of around 50% between 2015 and 2018 to just 2% and 6% in 2019 and 2020 respectively, with its gross profit margin showing a sharp decline of 12% from 2018 to 2020.”

– Professor Mak Yuen Teen, *Corporate Governance Advocate*⁵⁰

New Board, old trouble?

After the series of departures from the CDL Board over disagreements with the SPG investment, three directors remained – Leng Beng, Sherman, and Mr Philip Yeo Liat Kok (Philip Yeo). Five new IDs – Mr Ong Lian Jin Colin (Colin),⁵¹ Mr Daniel Marie Ghislain Desbaillets (Daniel),⁵² Mr Chong Yoon Chou (Yoon Chou),⁵³ Ms Carol Fong (Carol),⁵⁴ and Mr Lee Jee Cheng Philip (Philip Lee)⁵⁵ – were appointed between October 2020 and January 2021 to replace the directors who had left.

On 1 January 2022, following the appointment of the newest ID Ms Wong Ai Ai (Ai Ai),⁵⁶ CDL's Board comprised nine directors, with six being independent. The non-independent directors were Executive Chairman Leng Beng, Group CEO Sherman, and Philip Yeo.⁵⁷

It was disclosed in CDL's 2021 annual report that pursuant to SGX Listing Rule 210(5)(d)(iii), Philip Yeo, who had served the CDL Board for over nine years, had ceased to be independent with effect from 1 January 2022.⁵⁸ It was further disclosed that CDL's Nominating Committee (NC) had recommended that Philip Yeo remain on the Board “to maintain a balance of experienced and new [independent directors] on the board”. As a result, he had been “re-designated from an independent non-executive director to a non-independent non-executive director” with effect from 1 January 2022.^{59,60}

Connected independent directors

Professor Mak questioned the independence of a number of the current and former CDL IDs.⁶¹

Since 2012, CDL has had four retired partners from its external auditors, KPMG, joining the Board as IDs at various times. All have held audit roles at KPMG, with at least three having been audit partners.⁶²

Three became lead IDs and also Chair of the Audit and Risk Committee (ARC). At various times, there were two ex-KPMG partners serving on the ARC, including one as Chair.⁶³ This suggests a close relationship between KPMG and the company, which may raise questions about the independence of the IDs – and also the independence of the auditors.⁶⁴

One of the ex-KPMG partners, Mr Eric Chan Soon Hee (Eric), joined CDL Board in February 2012 and became lead ID, Chair of the ARC and Remuneration Committee (RC), and a member of the NC and Board Committee (BC). He was audit partner at KPMG from 1989 to 2001 and transaction services partner until September 2011. He joined the CDL Board in February 2012, or just five months after he retired from KPMG.⁶⁵

Eric resigned from the CDL Board on 22 June 2018. That very same day, he was appointed as independent Chairman of M&C REIT Management Limited and M&C Business Trust Management Limited, managers of CDL Hospitality Trusts.⁶⁶

The second ex-KPMG partner who joined CDL's Board, Ms Tan Yee Peng (Yee Peng), was audit partner from 2003 to 2010 and principal advisor to KPMG from 2010 to 2011. She joined CDL's Board on 7 May 2014 and was a member of ARC, BC and NC, and Chair of Board Sustainability Committee (BSC) at various times. She resigned on 4 January 2021 over disagreement relating to the SPG investment.⁶⁷

Another ex-KPMG partner, Ms Lim Yin Nee Jenny (Jenny), retired as a partner in 2001, continued to be an advisor for KPMG until January 2004, and then joined M&C Reit Management and M&C Business Trust Management - the manager and trustee-manager of CDL Hospitality Trusts, as lead ID and ARC Chair in 2006, before retiring in 2017. In June 2018, she joined CDL and became lead ID, ARC and Remuneration Committee (RC) Chair, and a member of its NC and BC. She resigned on 3 May 2021 saying this was "in light of contributions from the Board's new Independent Directors".⁶⁸

The fourth ex-KPMG partner, Philip Lee, joined CDL's Board on 4 January 2021. He was audit partner from 1995 until his retirement in September 2018, and had also held roles of Head of Real Estate, Investment Banking, Private Banking, Head of an Audit Business Unit, and Head of People at KPMG. He is the current Lead Independent Director (LID) and ARC Chair, and was also a member of the NC and RC before the NC and RC were merged on 21 February 2025 to form the NRC. He is now also a member of the NRC.⁶⁹

KPMG is a long-standing auditor for CDL, starting from 1999 or earlier. KPMG was also a long-standing major tenant in Hong Leong building and used to have offices in City House, both owned by CDL.⁷⁰

Another ID, Daniel, also joined CDL's Board after serving as IDs of related entities. He was appointed as an ID of M&C REIT Management Limited and M&C Business Trust Management Limited in 2010, and was then appointed as an ID of Millennium and Copthorne Hotels plc in 2016 before its privatisation. He joined CDL Board in November 2020.⁷¹

Father takes on son

On 26 February 2025, corporate Singapore was stunned by news that Leng Beng had taken his son and six other directors to court over alleged governance lapses and an attempted board "coup". Other applicants in the suit were CDL, Philip Yeo, Colin and Yoon Chou, and the other defendants named were Ai Ai, Ms Wong Su Yen (Su Yen), Jennifer Duong Young (Jennifer), Carol, Daniel and Philip Lee.^{72,73}

Leng Beng accused Sherman and the other directors of "bypassing CDL's nomination committee to push through board changes without proper review" and said he wanted to restore corporate integrity.⁷⁴

According to him, the dispute centred on events that began on 28 January 2025, when an email was sent to the Board nominating two new IDs. The timing, which was on the eve of Chinese New Year, and the rush to approve the appointments, raised concerns. Yoon Chou, the NC chairman, was said to be "completely unaware" of the nominations.⁷⁵

Leng Beng said he questioned the urgency of appointing an additional two new directors the following day, emphasising that "such significant governance decisions should not be rushed without due diligence and proper

vetting”.⁷⁶ Despite this, a board meeting was convened on February 7, with no vote taken, but a written resolution approving the appointments was passed hours later.

He had sought his son’s removal as group CEO on February 8, citing his role in what he called “the latest of a long series of missteps”.⁷⁷ The Board, led by the LID, Philip Lee, opposed the move. Leng Beng also pointed to past business decisions under his son’s leadership that had “put CDL in a precarious position”, including a S\$1.9 billion loss from CDL’s investment in SPG in 2020 and poor returns from UK property ventures.⁷⁸ He added that CDL’s share price had underperformed since Sherman took over in 2018. He vowed to take all legal steps necessary to protect the company’s governance standards and its shareholders’ interests.⁷⁹

Should Sherman be removed, Eik Sheng, Leng Beng’s nephew who is currently the group chief operating officer, would serve as interim group CEO. Leng Beng urged shareholders to support efforts to “restore strong governance” at CDL, warning that the current dispute risked damaging the company’s reputation and long-term stability.⁸⁰

In response, Sherman said: “It is incredibly disappointing that our chairman and a minority of the CDL board have decided to take these extreme actions regarding this disagreement around the size and make-up of the CDL board....Our focus as CEO and directors, as a board majority and with clear guidance and support from our company and independent legal counsel, has always been to implement steps to improve governance.”⁸¹

Sherman said that this has “never been about ousting our esteemed chairman”. He added that the steps to strengthen the Board have purely been to ensure CDL has the highest standards of governance and that their collective decision-making as a Board is as robust as possible.⁸²

Later that night on 26 February 2025, Leng Beng made a second statement saying that the two new IDs, Su Yen and Jennifer, have undertaken not to exercise any powers as directors until further notice and that “serious lapses” of corporate governance have been stopped.⁸³

Son fights back

The following day, in a statement issued on behalf of “the majority of CDL’s board of directors”, Sherman said the two statements issued by his father the previous day “d[id] not present the full picture”.⁸⁴

He said that Leng Beng’s statement did not reveal that the minority directors served Sherman and the majority directors “just after noon” on February 26 for a hearing that was held just two and a half hours later.⁸⁵

“Without giving us the opportunity to respond in time to give the court the full picture, the minority directors tried to get the court to grant interim injunctions to restrain the majority directors on the board of CDL, comprising six independent directors and myself, from implementing a number of resolutions, to restrain two independent directors from exercising powers as directors and to reverse a number of resolutions that had been passed by the majority directors on the board of CDL...As the chairman must know, yesterday the minority directors failed in their application to reverse the resolutions that were passed.”

– Sherman Kwek, Group CEO of CDL ⁸⁶

He said that because the majority directors did not have the opportunity to present their case, they voluntarily offered undertakings to preserve the status quo until there is a full hearing.⁸⁷ The court said it was not making any substantive orders on the minority directors’ application.⁸⁸

All the directors were directed by the court to refrain from doing anything in relation to CDL’s subsidiaries, Singapura Developments and Millennium & Copthorne Hotels (M&C), that would affect the other party’s position in the dispute until it is resolved.⁸⁹

The real sting was to come when Sherman mentioned for the first time that the primary reason for the dispute was due to a “very serious issue of corporate governance” within the group “arising from the conduct of one Dr Catherine Wu”. Dr Catherine Wu (Dr Wu) was appointed as director to M&C’s Board in July 2022 before she resigned in January 2024, and her occupation was listed as “chief of staff”⁹⁰

“Although her official position is advisor to the board of M&C, a wholly owned and principal subsidiary of CDL Group, she has been interfering in matters going well beyond her scope, and she wields and exercises enormous influence. These matters have troubled us as directors... Due to her long relationship with the chairman, efforts that were made to manage the situation were done sensitively, but to no avail... This led us, with the benefit of legal advice, to propose a resolution to terminate the advisory agreement Dr Wu has with the board of M&C and another to affirm that Dr Wu has no power and authority, among other things, to influence or advise the directors, management and staff of the CDL and M&C Groups.”

– *Sherman Kwek, Group CEO of CDL*⁹¹

Sherman said that the majority directors are “alive to their duties and will continue to uphold corporate governance and accountability within the CDL Group.”⁹²

Sherman’s revelations about Dr Wu set off a media frenzy on who Dr Wu is, and her relationship with Leng Beng.

Who’s Dr Wu?

Dr Wu was born in Taiwan, where she revealed on talk show “Da-win Dining”, hosted by Taiwanese TV host Paul Lee, that she has five older brothers and one younger brother.⁹³

She first pursued music studies at the San Francisco Conservatory of Music at the age of 15, where she won a scholarship and subsequently enrolled in The Julliard School in New York.⁹⁴ Following that, Dr Wu obtained her doctorate in music education from New York University.⁹⁵

After the completion of her studies, she returned to Taiwan, where she joined a record label and released her first piano album in 1990.⁹⁶ She was also the host of the music programme Music From The Heart, which aired for more than 700 episodes in the early 1990s.⁹⁷ In 1994, Dr Wu was selected as one of the “Ten Outstanding Young Women in Taiwan” for her efforts to popularise classical music.⁹⁸

Following her work in Taiwan, she started her own kindergarten business in the early childhood industry in Singapore. After a decade in the industry, she sold the business and dedicated her time to other aspects of hotel management.⁹⁹

Dr Wu and Leng Beng first met at a gathering of family friends in Taiwan in 1992, where Dr Wu described their first meeting as a “job interview”, with Leng Beng posing “several wide-ranging questions” before asking if she was interested in moving to Singapore.¹⁰⁰ Initially, Leng Beng requested for Dr Wu to conduct research on properties that he was interested in. Dr Wu gradually learnt about hotel management from him. Dr Wu recalled that Leng Beng had asked her to evaluate the data of three potential hotels for acquisition, and to choose one amongst the three.¹⁰¹

For the past three decades, Dr Wu served as a director at M&C, the principal subsidiary of CDL group. Although her director status was terminated in January 2024, she returned to M&C as an adviser seven months later.¹⁰²

Dr Wu also acted as Leng Beng’s personal assistant, though not as an official employee.¹⁰³ According to an employment tribunal document filed in London in 2018, Dr Wu was paid directly by Leng Beng.¹⁰⁴

Truce...or not?

On 12 March 2025, Leng Beng discontinued his lawsuit against his son and the six other directors. He said he and Sherman would continue in their roles, and all the current directors, including the two newly appointed IDs, would remain on the Board.

He added that all the Board members had agreed to put aside their differences for the greater good of CDL and its stakeholders, and said: “We will all continue to focus on strengthening CDL’s business, in accordance with good corporate governance, now and in the future, including completing the raft of landmark developments under way across Singapore and globally, furthering the expansion of various brands under Millennium & Copthorne (M&C), continuing our capital recycling initiative and, above all, maximising shareholder value.”¹⁰⁵

This put a pause to the legal fight - but more was to come at the AGM the following month.

Doctors, snakes and the AGM

The highly anticipated CDL AGM when the two newly appointed IDs stood for election took place on 23 April 2025. It did not disappoint in terms of drama.

One of the substantial and relevant questions submitted by shareholders prior to the AGM was for the company to share its response to the queries to management sent by the Securities Investors Association Singapore (SIAS).¹⁰⁶ Among these questions, the following two questions in particular were directed at the appointment of the two new IDs:

- a. “Can the company clarify whom the two newly appointed directors met and spoke with prior to their appointment during the search and nomination process?”
- b. “Do the two directors believe that their nomination and appointment adhered to best corporate governance practices?”¹⁰⁷

On the first question, the company’s response asked the shareholder to refer to the section under “Criteria and Process for Nomination and Selection of New Directors (Provision 4.3)” in its Corporate Governance Report.¹⁰⁸

On whether the nomination and appointment of the two directors adhered to best corporate governance practices, the company said that “while the nomination and appointment of the two new directors was not made via the then NC, it was submitted to the full Board, which included the then NC, for consideration and approval.”¹⁰⁹

The questions about the appointment of the two new directors continued at the AGM. One shareholder asked why the two new directors did not take the opportunity to observe good corporate governance to speak with the then NC members before being appointed by the Board.¹¹⁰ The then NC chairman replied that the appointments had been handled in a rushed manner and it was during Chinese New Year. He had tried to schedule interviews with the two directors but had to cancel and rush back to Malaysia, as his father was ill and had been admitted into the Intensive Care Unit.¹¹¹ He decided against conducting the interviews via Zoom as he felt that interviews should be conducted face-to-face. He said while he did not interview the candidates, he knew Su Yen from the Singapore Institute of Directors (SID) and thought her credentials were good.¹¹² He also explained what the usual process for appointments would be like, which would involve an NC meeting to discuss, and possibly getting some consultants’ advice and maybe even conducting a search.¹¹³

Philip Yeo was visibly displeased by the way the two directors were appointed and said:

“It must be unanimous; it must be [a] consensus. It should not be...disregarding the chairman...there’s no company I have been involved [in], overseas and locally, where directors can overthrow... in a coup against [the] chairman. All directors are appointed unanimously. It should not be a small group pushing for this.”

– *Philip Yeo, Director of CDL*¹¹⁴

He said he was informed of the proposed appointments on 28 January 2025 when he was in Da Nang. He did not see a reason for such haste and thought that the proposed appointments were pushed by the LID, Daniel and Ai Ai.¹¹⁵ He said the two new IDs, together with Ai Ai and Daniel, who were standing for re-election, should not be re-elected.¹¹⁶

Su Yen then responded to the question and said that she takes seriously the importance of directors in complying with the law, the Code of Corporate Governance and the Company’s Constitution.¹¹⁷ She asserted that the appointment of Jennifer and herself were in accordance with the Companies Act, the SGX listing rules and the Company’s Constitution.¹¹⁸ She further stated that she and Jennifer had met some members of the then NC as well as some members of the Board. There was also an attempt to meet the then NC chair.¹¹⁹ She added that there is a distinction between process and principles, and form and substance.¹²⁰

She then launched into an analogy of a sick child who had been bitten by a venomous snake and needed urgent medical attention.¹²¹

“A stranger takes the child to the hospital. Now, the hospital has procedures in place, which is that the parent needs to sign off before a procedure can be done on the child - very reasonable, and the hospital has a ‘comply or explain’ principle. Now, the attending doctor has to make a decision: Do I do this procedure on this child because the venom is going through the child’s body? Or do I wait until I can find the parent who can sign off on this because that’s [the] procedure?”

– *Wong Su Yen, Independent Non-Executive Director of CDL*¹²²

Her analogy – minus the venomous snake - was subsequently recorded in the minutes of the AGM as follows:

“She gave the analogy of a child, unaccompanied by his parents, being brought to a hospital by a stranger. Such hospital may have certain procedures in place whereby only a parent of a child can sign off on any authorisation for the hospital to provide care for the child. In a case where the life of the child was in danger, the attending doctor would then have to make a decision between following the hospital’s procedures and risking the child’s life, or to prioritise saving the child’s life.”

– *Wong Su Yen, Independent Non-Executive Director of CDL*¹²³

Jennifer had a less colourful response and mentioned that she was requested to provide timeslots for the interviews and had, via Zoom, met with two members of the then NC and on a separate occasion, met with two members of the Board.¹²⁴ She said the then NC chair had also reached out and they had agreed on a time to meet but he was unfortunately called away to Kuala Lumpur.¹²⁵

While there were calls from shareholders and directors about the need to move forward, one shareholder said he has doubts on how the Board can move forward given the diversity of views, and called for shareholders to give the Board a clear mandate through their votes.¹²⁶ Philip Yeo said that the key to moving

forward should be based on good corporate governance and not making the same mistake. He said it should now be up to shareholders to decide on the re-election but he wanted to put on record his unhappiness on the matter.¹²⁷

How we met the directors...

A major reason for Leng Beng to file the lawsuit against Sherman and the other six directors resolves around the controversial appointment of the two new IDs, Su Yen and Jennifer.¹²⁸

In its Corporate Governance Report of the FY 2024 Annual Report, CDL provided a detailed description of the circumstances leading up to the appointment of these two new IDs.¹²⁹

The following is a summary based on the company's account ¹³⁰:

1. Two IDs, including the LID, introduced and recommended the two candidates for appointment as IDs.
2. The curriculum vitae (CVs) of the candidates were circulated to the Board on 28 January 2025, together with the CV of another candidate who was previously proposed by the Executive Chairman who had previously been declined by the proposing IDs, who were members of the former NC.
3. Invitations were sent to all the directors for separate virtual interviews with the two candidates on 28 January 2025, with different time slots on three different dates made available.
4. Separate interviews by the then NC Chairman were later cancelled due to a family emergency he had to attend to.
5. The Group CEO arranged his own interviews with the two candidates.
6. The proposing IDs were the only members of the then NC who attended the interviews. Interview notes were prepared and circulated to the board.
7. The LID requested for a board meeting to deliberate on the election of the three candidates. The board meeting was held on 7 February 2025 and attended by all the directors. At this meeting, the purpose of calling for the full board meeting and the recommendation of the appointments, without first going through the NC, was explained, with reasons of corporate governance concerns as well as meeting diversity targets cited.
8. Four of the directors objected to the increase in the board size and the process by which the recommendation was made for the appointments. They also withdrew the nomination of the third candidate proposed by the Executive Chairman as they were of the view that the board size should not be increased.
9. One of the IDs supporting the appointment of the two remaining candidates requested pausing the 7 February meeting to hold an ad hoc NC meeting, but this was declined by the four opposing directors. No vote was taken for the appointments at this meeting.
10. Three of the IDs supporting the appointment of the two IDs proposed during this meeting (with no objections raised) that a resolution in writing be circulated to the directors. A Directors' Resolution in Writing ("DRIW 1") was circulated that same day. Five directors voted in support with the other four voting against. The two new IDs were duly appointed.

The company said: "Accordingly, notwithstanding the above deviation from the NC's terms of reference and the provisions of the CG Code concerning the Appointments, the Company's position (based on the majority votes of the Board) is that there was a formal and deliberate process adopted in relation to the Appointments and that such process is consistent with the intent of Principle 4 of the CG Code, which states that the Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board".¹³¹

Professor Mak pointed out that, from the company's description, the LID and another ID ("proposing IDs") initiated the search for the two new IDs, presumably on the behest of the majority or proposing directors.¹³² What the company did not say was how they were identified by the proposing IDs in the first place.¹³³

He said that neither they nor the proposing directors had the power to seek to increase the size of the board or initiate a search for new directors without consulting the NC or the Board, as the Board had delegated this responsibility to the NC and approved the NC's terms of reference.¹³⁴

He added that if certain directors believed that the board size should be increased and new directors appointed, the proper process is to propose this to the NC.¹³⁵ If the NC disagrees, the proposing directors can seek the approval of the Board to do so. Alternatively, the directors could also have gone directly to the Board and get the board to approve it, bypassing the NC. Based on the account given by the company, neither was done before the proposing IDs initiated a search for the two new IDs.¹³⁶

In his view, the two directors acted on their own or on the behest of the proposing directors to undertake responsibilities that the Board had not authorised them to undertake.¹³⁷

The company had used the reasons of "governance concerns in relation to the role and involvement of Dr Catherine Wu at the relevant time, as well as the belief by the Proposing IDs that the other members of the then NC were not likely to support the proposed appointments of new directors."¹³⁸

Professor Mak pointed out that the governance concerns mentioned are based on the views of the proposing directors. He asked why those concerns could not be resolved by the then existing Board and said that just because the proposing directors believed that the other members of the NC were not likely to support the proposed appointments is not an excuse for bypassing the NC without board approval.¹³⁹

According to Professor Mak, the proposing directors had usurped the authority of the NC when they sought to increase the number of directors and carry out a search for directors, without going through the NC and without being authorised by the Board.¹⁴⁰ They not only failed to comply with the Code, they acted *ultra vires*, according to Professor Mak.¹⁴¹

Professor Mak said: "Clearly, the manner of their appointment does not comply with the Code of Corporate Governance and the process set out in the NC Guide published by the Singapore Institute of Directors (SID)".¹⁴²

He pointed out some of the "best practices"¹⁴³ in SID's NC Guide:

"The Board should require the NC to review, at least once a year, the structure, size, and composition of the Board and the Board Committees. If a new director is required to be appointed subsequent to the review, the NC will initiate the director nomination process."

"The nomination process requires the NC to take several steps:

- Develop desired profiles of new directors for the Board.
- Search for candidates.
- Shortlist candidates.
- Evaluate them.
- Recommend to the Board."

"To better understand the background and profiles of directors needed, the NC may also consult with the Board Chairman, other Board members, and key members of senior management."

"The NC should meet with each shortlisted candidate to assess the candidate and address any questions or concerns on either side. Prior to recommending a candidate, due diligence should be conducted. This includes checks on past litigations (and their status), bankruptcy records, and independent reference checks."

“The following should be submitted to the Board for discussion and approval:

A summary of the search and nominating process including the selection criteria used.

Resumes and background search results of the nominees (including a summary of the nominee’s existing directorships, principal commitments, interests, and any matter that may potentially affect his independence).

The list and evaluation of the successful nominees, as well as reasons for their selection.

The list of unsuccessful candidates and the reasons for not selecting them.”

– *NC Guide, SID*

To what extent has the appointment of the two new IDs followed any of these?, he asked.¹⁴⁴

Professor Mak added: “It so happens that one of the two new IDs appointed at CDL without the involvement of the NC is Ms Wong Su Yen (WSY), the immediate past Chairperson of SID. She is also a fellow of SID and a Senior Accredited Director. One would expect that someone in her position and with her credentials would ensure that her appointment is in accordance with good corporate governance and the recommendations in SID’s own NC Guide.”¹⁴⁵

The CEO of SID, Terence Quek, however, defended the appointment process. He said that “while NCs typically propose their director appointments to the board for approval, this practice may vary depending on the individual company’s constitution and policies.”¹⁴⁶

What’s in CDL’s Constitution?

CDL’s Constitution contains the usual clauses relating to the appointment of directors and the convening of board meetings.

Clause 76 of CDL’s constitution states: “The Directors shall have power from time to time and at any time to appoint additional Directors to the Board or to fill casual vacancies but the total number of Directors’ power to appoint Directors shall not at any time exceed the maximum number fixed by this Constitution. A Director so appointed shall hold office until the next Annual General Meeting, at the conclusion of which he shall retire, but shall be eligible for re-election and shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.”¹⁴⁷

Clause 94 states: “The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined, two shall be a quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue) the Chairman shall have a second or casting vote.”¹⁴⁸

Clause 96 states: “A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors. Notice of a meeting of Directors shall be given to all Directors, whether or not he is in Singapore. Any Director may waive notice of any meeting and any such waiver may be retroactive.”¹⁴⁹

Clause 97 meanwhile states: “The Directors may from time to time elect a Chairman, who shall preside at meetings of the Directors, and determine the period for which he is to hold office, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.”¹⁵⁰

Do these clauses in the constitution and the purported “governance concerns” support the majority directors’ and certain commentators’ views that the manner in which the two directors were appointed was not in violation of the spirit of good corporate governance?

Professor Mak said: “To be fair, there may be situations where strict compliance with “best practice” guidelines may not be possible. Therefore, she [Su Yen] and the other newly-appointed ID should be given an opportunity at the company’s coming AGM, when they will have to stand for election, to explain the circumstances surrounding their appointment, including who approached them to join the board (since the NC chairman was not involved), why they accepted the appointment without being interviewed by the NC, and what value they see themselves adding to the CDL board. I hope the CDL Chairman will allow them to answer questions from shareholders.”¹⁵¹

More questions about Wong Su Yen

Professor Mak said that in Su Yen’s case, the appointment template listed 13 present appointments, including her own consulting and advisory businesses.¹⁵² Her current appointments include directorships in three other listed issuers – CSE Global, First Resources and Yoma Strategic Holdings (she has since retired from Yoma). Her past appointments included two listed issuers – Nera Telecommunications (Nera) and Pegasus Asia (originally listed as a SPAC, but delisted after it failed to find a target).

He asked whether her track record in her past and present appointments in other listed issuers was assessed and whether checks were done with others who have worked with her.¹⁵³

Professor Mak pointed to the case of Nera. In the company’s response to one of the questions from SIAS in April 2024 about its total shareholder return (TSR) in the past 10 years, the following statements were included: “A TSR over a 10-year period would cover the time when Ms Wong Su-Yen served as the chairman (from 30 April 2014 to 23 December 2022) and the short tenures of the two chairmen after her...Nera’s TSR, from 2 January 2014 to 31 December 2023, is -40.85%.”¹⁵⁴

He said he found it interesting that the company made explicit reference to Ms Wong’s tenure as its Chairman while disclosing its poor TSR.¹⁵⁵ While he said the company may come across as unfairly trying to attribute blame to Ms Wong by highlighting her tenure as Chairman since the Board and management should be collectively responsible, he said the Chairman does have a major role to play in steering a company.¹⁵⁶

Rushed process to increase board size and appoint the new IDs

Professor Mak said that Su Yen in her analogy seems to suggest that CDL had a really serious governance issue, akin to being bitten by a poisonous snake, and needed to be attended to urgently by a doctor, which presumably is her.¹⁵⁷

He said that CDL had a nine-member Board, after an ID resigned in December 2024.¹⁵⁸ In its FY2023 corporate governance report, when it had a 10-member Board, it said: “ Having considered the scope and nature of the operations of the Group, the Board, taking into account the recommendation of the NC, is satisfied that the current size and composition of the Board and Committees provide for diversity in line with the BDP with a good balance of skills, experience, industry knowledge, professional qualifications, gender and age, which serve to support the Company in achieving its strategic objectives and sustainable growth and development.”¹⁵⁹

Professor Mak said that nine directors is an adequate board size for companies of any size and complexity if it is properly constituted based on independence, competency and diversity requirements.¹⁶⁰ He asked: “Why did the proposing directors feel that they need to suddenly increase board size to 11 when 10 directors were considered appropriate and the proposing directors already comprised the majority?”¹⁶¹

He questioned the fact that their appointments were done through the circulation of the candidates' CVs and virtual interviews, and the entire process took just 11 days between the date they were proposed and the date when they were appointed.¹⁶² He added: "How could their suitability be assessed just based on their CVs and virtual interviews? Why were in-person interviews not done?"¹⁶³

Professor Mak said that a proper search and nomination process would take much longer than 11 days. Viewing CVs and conducting virtual interviews, in his view, would not be sufficient to assess if directors are fit and proper or if they would add value to the board. This is especially true if the existing directors are not familiar with the candidates.¹⁶⁴

Did the two new IDs fetter their discretion?

Professor Mak also raised the question of what due diligence the two new IDs did before they agreed to be considered and appointed.¹⁶⁵ He said it was clear that the two new IDs only spoke to the two proposing IDs or the proposing directors, but not the other directors.¹⁶⁶ He asked: "Did they form a view about the circumstances that the company was facing just from speaking to the proposing directors and accepted their version of the circumstances? Did they agree to support the proposing directors before they have properly understood the actual circumstances?"¹⁶⁷

He said that if they did so, one could argue that the directors had fettered their discretion.¹⁶⁸

Is the new Board fit for purpose?

Professor Mak pointed out that while some of the 11 directors have international experience, all are resident in Singapore. He said that as a company with global operations, CDL may benefit more from adding directors who are based in their major markets.¹⁶⁹ A robust assessment of skills and competencies as part of a proper search and nomination process is critical for building an effective board, he said, and that this would take much longer than 11 days.¹⁷⁰

Figure 4 shows the director skills matrix in CDL's FY2024 annual report after the appointment of the two new directors has increased the board size to 11¹⁷¹, and the directors skills matrix in the FY2023 report when there were 10 directors.¹⁷²

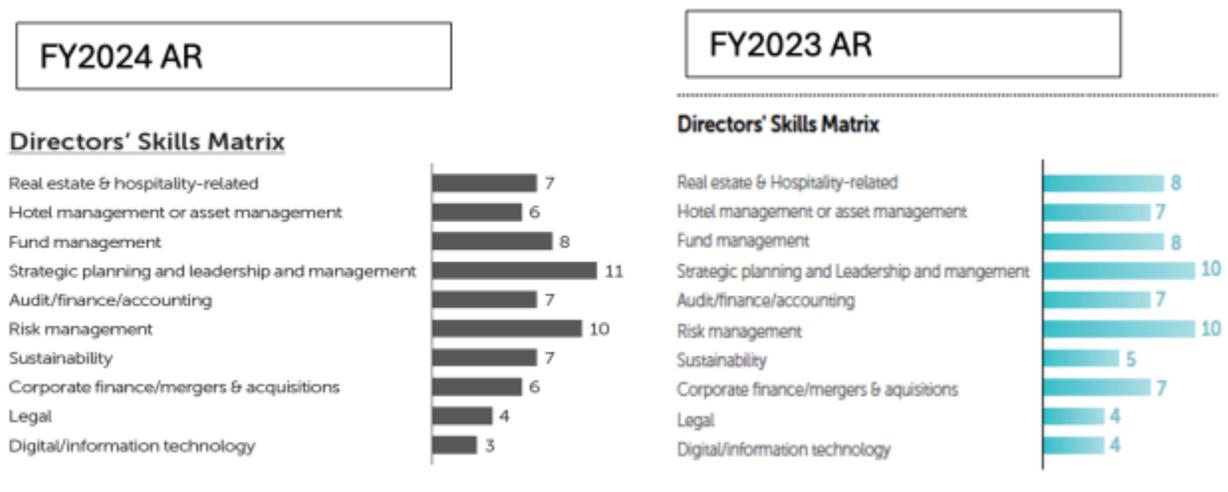


Figure 4: Director Skills Matrix in CDL's FY2024 Annual Report and FY2023 Report¹⁷³

Source: City Developments Limited (2023) *City Developments Limited Annual Report 2023*,
City Developments Limited (2024) *City Developments Limited Annual Report 2024*

At the AGM, a shareholder noted that the directors' skills matrix indicated that four directors possess skills in the "legal" category and enquired who are the four lawyers on the Board. The NRC chair said that directors do not necessarily need to hold a law degree to have the legal experience. Accountants, for example, may take law as part of their training. The Company Secretary added that the skills matrix tracks the directors who have put themselves to have experience in legal knowledge and directors annually confirm their core skillsets and competencies.¹⁷⁴

Was gender diversity used as a Trojan horse?

Professor Mak said that although he is a strong supporter of gender diversity, he was concerned that it was used as a Trojan horse in this case.¹⁷⁵

CDL had said that the appointment of the two new female IDs "would also help to fulfil the Board diversity targets".¹⁷⁶ With the appointment of the new directors, CDL has 4 out of 11 female directors, or 36% – above its 2025 target of 25%.

He asked: "But what cognitive diversity will it have when the two new IDs seemed to have accepted the appointment based purely on what the proposing directors told them?"¹⁷⁷

He felt that gender diversity had been achieved but governance had been trampled upon.¹⁷⁸

Merging the NC and RC

Another controversial move made by the "majority directors" which the "minority directors" strongly objected to was to merge the NC and Remuneration Committee (RC) to form a combined Nominating and Remuneration Committee (NRC). This was announced on 21 February 2025.¹⁷⁹

The announcement said: "Following the appointments of Ms Jennifer Duong Young and Ms Wong Su Yen, the Board has conducted a review of the composition, function and efficacy of the committees of the Board ("Board Committees") with a view to improving the efficiency and effectiveness in the discharge of the respective Board Committee's duties...[and] taking into consideration the roles and responsibilities of the Nominating Committee ("NC") and the Remuneration Committee ("RC"), the NC and the RC will be merged to form the Nominating and Remuneration Committee ("NRC"), in order to streamline and facilitate holistic oversight and consideration of the appointment, performance and compensation of the Directors and key management personnel."¹⁸⁰

The previous NC, which comprised Yoon Chou (Chairman), Leng Beng, Philip Lee, Colin Ong and Ai Ai, was now replaced by the NRC which comprised Ai Ai (Chairman), Colin Ong, Philip Lee, Daniel and Su Yen. Yoon Chou and Leng Beng were therefore excluded from the merged NRC, and only Colin Ong from among the "minority directors" was retained on the merged committee. The merged NRC now only comprised IDs.¹⁸¹

The Corporate Governance Report in CDL's FY2024 Annual Report disclosed how the merging of the two committees was carried out.¹⁸² It said: "Following the Appointments [of the two new IDs], the Relevant IDs also proposed changes to the composition of the Committees including the constitution of the NRC ("Changes to the Constitution of Committees"), as well as other matters in connection with the Company's key and significant subsidiaries ("Other Matters"). A Board meeting was requested by the Relevant IDs on 17 February 2025, in accordance with the Constitution, to consider the Changes to the Constitution of Committees and the Other Matters. As the meeting on 17 February 2025 was not attended by all the Opposing Directors due to short notice, amongst other reasons, a Directors' Resolution in Writing ("DRIW 2") in connection with the subject matters was circulated by the Relevant IDs on the same day to seek the votes of the Board on

the same, but it was conveyed that DRIW 2 would only be considered on 21 February 2025, giving time and opportunity to the Opposing Directors who had not attended the meeting to seek clarification and engage with the Relevant Directors on these proposals. Approval was obtained from a majority of the Directors on DRIW 2 on 21 February 2025 (but with the Opposing Directors objecting), and the subject matters including the Changes to the Constitution of Committees as set out in DRIW 2 were put into effect in accordance with the Company's Constitution." ¹⁸³

Shareholders give full support

Despite the contentious circumstances under which the two new directors were appointed, and NINED Philip Yeo urging shareholders to vote against the election of the two new IDs and two incumbent IDs standing for re-election, shareholders at the AGM voted unanimously for all the resolutions. Figure 5 shows the results for the voting on the resolutions for the re-election of the three incumbent directors and two new directors.

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Business – Ordinary Resolutions (cont'd)					
Resolution 4(b) Re-election of Mr Daniel Marie Ghislain Desbaillets as a Director retiring in accordance with Clause 83(a) of the Constitution of the Company	537,467,768	534,212,722	99.39	3,255,046	0.61
Resolution 4(c) Re-election of Ms Tang Ai Ai Mrs Wong Ai Ai as a Director retiring in accordance with Clause 83(a) of the Constitution of the Company	537,495,277	532,092,651	98.99	5,402,626	1.01
Resolution 5(a) Re-election of Ms Young Jennifer Duong as a Director retiring in accordance with Clause 76 of the Constitution of the Company	537,523,477	534,439,318	99.43	3,084,159	0.57
Resolution 5(b) Re-election of Ms Wong Su Yen as a Director retiring in accordance with Clause 76 of the Constitution of the Company	537,475,877	533,874,893	99.33	3,600,984	0.67
Resolution 6 Re-appointment of KPMG LLP as Auditors	537,580,677	534,233,741	99.38	3,346,936	0.62

Figure 5: Results of voting for resolutions on re-election of directors at CDL AGM on 23 April 2025 ¹⁸⁴

Source: City Developments Limited (2025, April 23). City Developments Limited Annual General Meeting.

Although proxy advisory firm, Glass Lewis, issued an ESG Controversy Alert on the conflict between Leng Beng and Sherman regarding the process for nominating directors¹⁸⁵, institutional investors such as CalSTRS¹⁸⁶ and CalPERS¹⁸⁷ voted in support of all the resolutions, in accordance with the recommendations of Glass Lewis.

Norges Bank Investment Management, known to be highly focused on corporate governance and sustainability, also voted in support of all the resolutions.¹⁸⁸

Based on the voting results, it is also clear that the Kwek family holding company, HLIH, voted in support of all the resolutions.

The CEO's remuneration "sacrifice"

In CDL's annual report that was released on 8 April 2025, the remuneration table shows that Sherman was paid S\$2,974,065.45 for FY2024.¹⁸⁹ It also shows under the column "LTI" (for Long-Term Incentive) that Sherman has "Volunteered to forgo".¹⁹⁰ The footnote to the table states: "Mr Sherman Kwek, the Group CEO, has voluntarily elected to forgo his 2024 LTI grant of \$1.35 million. The NRC acknowledged his decision and expressed appreciation for his leadership and dedication to the Group".¹⁹¹

The LTI was introduced in FY2022. Sherman was granted a LTI of S\$1.35 million that year and the same amount in FY2023. According to Professor Mak, it is evident that there are no performance conditions for the LTI grant since it is the same amount each year.¹⁹²

For FY2022 and FY2023, Sherman's LTI grant was not included in his total remuneration shown in the remuneration table. Rather, it was disclosed as a footnote to the remuneration table.¹⁹³ For example, for FY2023, the remuneration table shows his total remuneration was S\$3,515,826 comprising fixed salary (inclusive of Annual Wage Supplement or AWS), STI or short-term incentive in the form of annual variable bonus, board/committee fees, and other benefits. The footnote for the table states that the LTI grant of S\$1.35 million is in addition to the remuneration in the remuneration table. It also states that the final payment to be vested is contingent on the achievement of pre-determined targets over a three-year performance period, which will range from 0% to 200% of the award.¹⁹⁴

Professor Mak noted that for FY2024, Sherman took a pay cut of about S\$541,761 and also "gave up" a S\$1.35 million LTI grant.¹⁹⁵ However, he said that rather than applauding Sherman for his "generosity" in giving up his LTI grant, CDL shareholders should ask the NRC to provide more information about the LTI grants given in FY2022 and FY2023. They should also ask whether the FY2022 and FY2023 grants are likely to vest and if so, how much, bearing in mind that he could get as much as 200% of the LTI grants given to him in FY2022 and FY2023. He said that given how poorly CDL has done from a financial standpoint since those grants were made, it may be highly questionable if those grants vest.¹⁹⁶ He added that if performance conditions are stretched targets, Sherman may be giving up something in FY2024 that may not vest anyway.¹⁹⁷

Professor Mak also observed that like most other companies listed on SGX, CDL's disclosures of its remuneration policies leave much to be desired.¹⁹⁸ For example, it states: "LTI payments are not guaranteed and are subject to Management achieving the performance conditions based on Board-approved targets and strategy. LTI payment will be made at the end of the three-year assessment period if performance conditions are met."¹⁹⁹ With regards to the different remuneration components, it adds: "The RC also reviewed and approved the Company's balanced scorecard for 2024 which included the performance targets set out in the GET (Growth, Enhancement and Transformation) strategy to be achieved by the Company based on its short and long-term objectives, and includes non-financial measures such as on risk management and environment, social and governance issues which are similarly cascaded down to the employees of various business units".²⁰⁰

Professor Mak said that what are the specific performance measures used, not to mention targets, including for the vesting of the LTI, are unclear. He said that shareholders should ask for more transparency on this at the AGM.²⁰¹

The LTI for Sherman is in the form of cash, not shares as is the case for most other companies that use them, Professor Mak observed.²⁰² CDL states: “Being a cash-based award, the LTI is not dilutive to current shareholders.”²⁰³ Professor Mak said that the fact that CDL chose to use a cash-based award for its LTI is likely because CDL is a family-controlled business with many different family shareholders.²⁰⁴ Family shareholders may not want their stakes to be diluted and SK’s stake to be increased over time.

What next?

On 15 July 2025, CDL announced that Philip Yeo has given notice of his retirement from the Board after 16 years of service, with his last day of service being 31 July 2025.²⁰⁵

With the directors on the side of the Group CEO now controlling seven out of the 10 board seats and the NRC controlled by them, clearly the Group CEO has won his battle against his father. But will CDL and its shareholders win the war to put the company back on the right path to strong growth and performance?

Discussion questions

1. There is a famous Chinese saying about wealth not lasting beyond three generations and it has been estimated that 95 per cent of family businesses do not survive beyond that. What are common family governance and corporate governance issues that a company such as CDL may face? What family governance and corporate governance measures can help such companies in mitigating the risks commonly faced by family-controlled and family-managed companies?
2. Critically evaluate the structure and composition of the CDL Board following the appointment of the two new independent directors and prior to the departure of Philip Yeo.
3. How should the search and nomination process for directors, particularly independent directors, be undertaken? How should due diligence be undertaken? Critically evaluate the process by which the two new independent directors were appointed at CDL. Do you think the way it was handled is in accordance with good corporate governance practices?
4. Do you think the two new independent directors are good candidates to be appointed to the CDL Board? Explain.
5. How do you think the situation that the majority directors said existed at CDL, that is, an advisor allegedly acting beyond her powers, should be handled? Assuming that their allegations are true, do you think the majority directors addressed them in an appropriate manner? Explain.
6. What are the pros and cons of having separate nominating and remuneration committees compared to a combined nominating and remuneration committee? Do you think the merger of the two committees is justified, given that the resulting merged committee had all independent directors? Explain.
7. What are the criteria and a good process for determining the independence of independent directors? In CDL’s case, do you think the independence of some or all of the independent directors is in question? Explain. What measures do you propose to better ensure the true independence of independent directors?
8. Despite the controversial circumstances under which the two new independent directors were appointed, they and the incumbent directors who stood for re-election at the AGM received almost total support based on the votes cast. How might the way the family ownership is held and the type of institutional investors affect the voting outcomes? Should the strong support from shareholders be taken as an indicator that the board is fit for purpose? Explain.
9. Critically evaluate the remuneration policy for Sherman Kwek, his decision to voluntarily forgo his long-term incentive, and the disclosures relating to his remuneration. What improvements would you suggest?

Endnotes

- 1 City Developments Limited. (n.d.). Our Heritage. Retrieved from <https://cdl.com.sg/our-heritage>
- 2 *Ibid.*
- 3 The Straits Times. (1970, April 22). City Dcv still in the red after 7 years. Retrieved from <https://eresources.nlb.gov.sg/newspapers/Digitised/Article/straitstimes19700422-1.2.128.12>
- 4 National Library Board. (n.d.). City Developments Limited Is Formed. Retrieved from <https://eresources.nlb.gov.sg/history/events/229c0877-44d1-4906-b3b1-5291da808a1d#11>
- 5 *Ibid.*
- 6 *Ibid.*
- 7 City Developments Limited. (2021). Annual Report 2021. Retrieved from <https://ir.cdl.com.sg/static-files/efc814db-6419-40b5-8cb3-218d3f68f573>
- 8 Yee, L. (2025, March 3). CDL Saga: Quek Leng Chan Possible Kingmaker. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/opinion-features/kwek-leng-bengs-cousins-including-quek-leng-chan-and-kwek-leng-kee-could-swing-tide-battle-over>
- 9 The Business Times. (2025, March 1). Dynasty: Who's who in the Kwek family tree behind CDL, Hong Leong. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/dynasty-whos-who-kwek-family-tree-behind-cdl-hong-leong>
- 10 City Developments Limited. (2021). Annual Report 2021. Retrieved from <https://ir.cdl.com.sg/static-files/efc814db-6419-40b5-8cb3-218d3f68f573>
- 11 CityDevelopmentsLimited. (2022). Market capitalization of City Developments (C09.SI). Retrieved from <https://companiesmarketcap.com/city-developments/marketcap/>
- 12 Encyclopedia.com. (2021, October 26). City Developments Limited. Retrieved from <https://www.encyclopedia.com/books/politics-and-business-magazines/city-developments-limited>
- 13 Hi Life!. (2020). From One Hotel To Nearly 150 Properties Across 80 Cities. Retrieved from <https://hi-life.hongleong.com.sg/January2020/getting-to-know-you-article01.html>
- 14 Tani, M. (2016, June 16). CEO in the news: An Australian brings change to a Singaporean family business empire. *Nikkei Asia*. Retrieved from <https://asia.nikkei.com/Business/CDLs-Aussie-financier-bridges-Singaporean-family-business2>
- 15 City Developments Limited. (2021). Annual Report 2021. Retrieved from <https://ir.cdl.com.sg/static-files/efc814db-6419-40b5-8cb3-218d3f68f573>
- 16 Tan, M. (2014, April 15). Kwek juniors named to CDL's senior management team. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/kwek-juniors-named-to-cdls-senior-management-team>
- 17 Rashiwala, K. (2014, September 15). CDL appoints Grant Kelley to newly created CEO post. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cdl-appoints-grant-kelley-to-newly-created-ceo-post>
- 18 Tani, M. (2016, June 16). CEO in the news: An Australian brings change to a Singaporean family business empire. *Nikkei Asia*. Retrieved from <https://asia.nikkei.com/Business/CDLs-Aussie-financier-bridges-Singaporean-family-business2>
- 19 *Ibid.*
- 20 *Ibid.*
- 21 Today. (2014, April 16). CDL appoints Kwek juniors to senior management team. Retrieved from <https://www.todayonline.com/business/cdl-appoints-kwek-juniors-senior-management-team>
- 22 Tani, M. (2016, June 16). CEO in the news: An Australian brings change to a Singaporean family business empire. *Nikkei Asia*. Retrieved from <https://asia.nikkei.com/Business/CDLs-Aussie-financier-bridges-Singaporean-family-business2>
- 23 Today. (2014, April 16). CDL appoints Kwek juniors to senior management team. Retrieved from <https://www.todayonline.com/business/cdl-appoints-kwek-juniors-senior-management-team>
- 24 Williams, A. (2017, August 11). CDL names Sherman Kwek CEO-designate with resignation of Grant Kelley, Q2 profit falls 17.9%. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/cdl-names-sherman-kwek-ceo-designate-with-resignation-of-grant-kelley-q2>
- 25 *Ibid.*

- 26 City Developments Limited. (2024). City Developments Limited Annual Report 2024. Retrieved from <https://ir.cdl.com.sg/static-files/3b0d3a5b-2fd7-49d5-b309-af9efee72c9e>
- 27 *Ibid.*
- 28 Williams, A. (2016, September 5). Kwek Leng Beng's son, Sherman Kwek, becomes CDL deputy CEO. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/kwek-leng-bengs-son-sherman-kwek-becomes-cdl-deputy-ceo>
- 29 Williams, A. (2017, August 11). CDL names Sherman Kwek CEO-designate with resignation of Grant Kelley, Q2 profit falls 17.9%. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/cdl-names-sherman-kwek-ceo-designate-with-resignation-of-grant-kelley-q2>
- 30 City Developments Limited. (2019). Annual Report 2019. Retrieved from <https://ir.cdl.com.sg/static-files/56287c3d-6020-4fa9-9f46-3e4dd44283f3>
- 31 City Developments Limited. (2019, May 15). Announcement on the Group's investments in: 1. Sincere Property Group, China, 2. Commercial Asset located in Hongqiao, Shanghai. Retrieved from https://links.sgx.com/FileOpen/1505_CDL_Investment_%20Ann.ashx?App=Announcement&FileID=559616
- 32 City Developments Limited. (2019). Annual Report 2019. Retrieved from <https://ir.cdl.com.sg/static-files/56287c3d-6020-4fa9-9f46-3e4dd44283f3>
- 33 *Ibid.*
- 34 City Developments Limited. (2020, April 15). CDL to acquire 51.01% joint controlling stake in Sincere Property Group for RMB 4.39 billion in historic transformational deal. Retrieved from <https://cdl.com.sg/newsroom/cdl-to-acquire-51-01-joint-controlling-stake-in-sincere-property-group-for-rmb-4-39-billion-in-historic-transformational-deal>
- 35 City Developments Limited. (2020, October 21). Resignation of Mr Kwek Leng Peck as a Non-Executive and Non-Independent Director of the Company. Retrieved from https://links.sgx.com/FileOpen/2110_CDL.ashx?App=Announcement&FileID=635881
- 36 Paul, B. (2020, October 26). What does Kwek Leng Peck's resignation mean for CDL's share price?. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/what-does-kwek-leng-pecks-resignation-mean-for-cdls-share-price>
- 37 Lee, M. (2021 May 04). Fourth director resigns from City Development' board. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/fourth-director-resigns-from-city-developments-board>
- 38 City Developments Limited. (2021, April 15). Change – Announcement of cessation:: Retirement of independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/CGPXNDQO2QNO6L2J/6f032a8d26332cf01df925c760040fbae2c4f0adcde61cf5f3f2b984c9aa9a04>
- 39 *Ibid.*
- 40 The Strait Times. (2021, July 8). CDL's Sincere unit in China may undergo court-led restructuring. Retrieved from <https://www.straitstimes.com/business/companies-markets/cdls-sincere-unit-in-china-may-undergo-court-led-restructuring>
- 41 City Developments Limited. (2020). Annual Report 2020. Retrieved from <https://ir.cdl.com.sg/static-files/c4f2430d-1470-407a-b8ff-599e755a1eb7>
- 42 *Ibid.*
- 43 Lam, F., & Tay, V. (2021, February 26). CDL charts next steps for Sincere, hotels after S\$1.92b loss. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cdl-charts-next-steps-for-sincere-hotels-after-s192b-loss>
- 44 Caillavet, C. (2021, July 8). CDL \$1.36B Mainland Investment In Danger As Sincere Property Sued for Bankruptcy. *Mingtiandi*. Retrieved from <https://www.mingtiandi.com/real-estate/finance/cdl-china-partner-sincere-property-sued-for-bankruptcy/>
- 45 City Developments Limited. (2021, September 10). Divestment of interest in Sincere. Retrieved from <https://links.sgx.com/FileOpen/09-10%20Sincere%20Divestment.ashx?App=Announcement&FileID=683233>
- 46 Tay, V. (2021, September 13). CDL sells Sincere stake for US\$1 after hefty write-off. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/cdl-sells-sincere-stake-for-us1-after-hefty-write-off>
- 47 *Ibid.*
- 48 City Developments Limited. (2021, September 10). Divestment of interest in Sincere. Retrieved from <https://links.sgx.com/FileOpen/09-10%20Sincere%20Divestment.ashx?App=Announcement&FileID=683233>
- 49 Tay, V. (2021, September 13). CDL sells Sincere stake for US\$1 after hefty write-off. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/cdl-sells-sincere-stake-for-us1-after-hefty-write-off>

- 50 Mak, Y. T. (2025, April 14). City Developments Limited: More scrutiny of its corporate governance needed. *Governance For Stakeholders*. Retrieved from <https://governanceforstakeholders.com/2025/04/08/city-developments-limited-more-scrutiny-of-its-corporate-governance-needed/>
- 51 City Developments Limited. (2020, October 7). Change – Announcement of appointment:: Appointment of independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/8F3F7WILGJMAZQNN/4385435ccb3cf50ef6542a8224acdfdf2d0430fdecc8680e72dbdd46db6e899>
- 52 City Developments Limited. (2020, November 20). Change – Announcement of appointment:: Appointment of independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/HAXTM5IDBOGI6YKZ/948fdcc6e9d573e5a3b04f2dffe1ebe12f32b0abef3efd2978787248047b4399>
- 53 City Developments Limited. (2020, November 20). Change – Announcement of appointment:: Appointment of independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/Z1ETGOU0I48E9TMM/cbdfb320d5f3bdbff597ff13e948ca844228c9886fd76366be854feffe8a9e6b>
- 54 City Developments Limited. (2020, December 29). Change – Announcement of appointment:: Appointment of independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/QF8JH82M8IJIIPRMM/c7f4e96aaf44085791ca7ac5ee0cf170d1c6b342c562ea8d31c173472cd84ddc>
- 55 City Developments Limited. (2021, January 4). Change – Announcement of appointment:: Appointment of independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/00ZXSDSK97YWN4UC/af2fb7c07d916e5dbac6f834e8cb874934cddf2d5c89c6d363ca9a114dd4d136>
- 56 City Developments Limited. (2021, December 28). Change – Announcement of appointment:: Appointment of independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/RBIJAN53NQZHNWGR/3ebb125fadaf6164768064957a098be97101bd95a56200af5f7c8606dedad382>
- 57 City Developments Limited. (2021). Annual Report 2021. Retrieved from <https://ir.cdl.com.sg/static-files/efc814db-6419-40b5-8cb3-218d3f68f573>
- 58 *Ibid.*
- 59 *Ibid.*
- 60 City Developments Limited. (2021, December 28). Change – Announcement of appointment:: Re-designation of independent non-executive director to non-independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/5V9JV44Y9ACM6EWZ/25fa0cdf444c6ad0e9b32bb7937679da5cfb496843784089a0833c83a6f1e3bf>
- 61 Mak, Y. T. (2025, April 14). City Developments Limited: More scrutiny of its corporate governance needed. *Governance For Stakeholders*. Retrieved from <https://governanceforstakeholders.com/2025/04/08/city-developments-limited-more-scrutiny-of-its-corporate-governance-needed/>
- 62 *Ibid.*
- 63 *Ibid.*
- 64 *Ibid.*
- 65 *Ibid.*
- 66 *Ibid.*
- 67 *Ibid.*
- 68 City Developments Limited. (2021, May 3). Change - Announcement of Cessation. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/U39T32A5QZL1FPWU/6d90f8881002eabbd50eb0f13508781d3e2f61748793126bc446ed396d1631e2>
- 69 Mak, Y. T. (2025, April 14). City Developments Limited: More scrutiny of its corporate governance needed. *Governance For Stakeholders*. Retrieved from <https://governanceforstakeholders.com/2025/04/08/city-developments-limited-more-scrutiny-of-its-corporate-governance-needed/>
- 70 *Ibid.*
- 71 *Ibid.*
- 72 CNA. (2025, February 26). CDL executive chairman Kwek Leng Beng moves to sack son Sherman as group CEO over attempted boardroom “coup”. Retrieved from <https://www.channelnewsasia.com/singapore/cdl-kwek-leng-beng-sherman-sack-coup-4960676>
- 73 Lim, J. (2025, February 26). Two new CDL directors will not exercise any powers until further notice from court: Kwek Leng Beng. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/two-new-cdl-directors-will-not-exercise-any-powers-until-further-notice-court-kwek-leng-beng>

- 74 *Ibid.*
- 75 *Ibid.*
- 76 *Ibid.*
- 77 *Ibid.*
- 78 *Ibid.*
- 79 *Ibid.*
- 80 *Ibid.*
- 81 *Ibid.*
- 82 *Ibid.*
- 83 *Ibid.*
- 84 Tan, F. (2025, February 27). Primary reason behind CDL's dispute is related to M&C Board advisor Dr Catherine Wu, says Sherman Kwek. *EdgeProp*. Retrieved from <https://www.edgeprop.sg/property-news/primary-reason-behind-cdl%E2%80%99s-dispute-related-mc-board-advisor-dr-catherine-wu-says-sherman-kwek>
- 85 *Ibid.*
- 86 *Ibid.*
- 87 *Ibid.*
- 88 *Ibid.*
- 89 *Ibid.*
- 90 *Ibid.*
- 91 *Ibid.*
- 92 *Ibid.*
- 93 *Ibid.*
- 94 Salim, S. (2025, February 28). Who is Catherine Wu, adviser to CDL's Kwek Leng Beng? *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/who-is-catherine-wu-cdls-kwek-leng-bengs-adviser>
- 95 Yan, L. R. (2025, February 28). First meeting with CDL's Kwek Leng Beng Felt like a job interview, says Catherine Wu in 2024 talk show. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/what-catherine-wu-revealed-about-her-life-in-media-interviews>
- 96 *Ibid.*
- 97 *Ibid.*
- 98 *Ibid.*
- 99 Salim, S. (2025, February 28). Who is Catherine Wu, adviser to CDL's Kwek Leng Beng? *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/who-is-catherine-wu-cdls-kwek-leng-bengs-adviser>
- 100 Yan, L. R. (2025, February 28). First meeting with CDL's Kwek Leng Beng Felt like a job interview, says Catherine Wu in 2024 talk show. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/what-catherine-wu-revealed-about-her-life-in-media-interviews>
- 101 *Ibid.*
- 102 Salim, S. (2025, February 28). Who is Catherine Wu, adviser to CDL's Kwek Leng Beng? *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/who-is-catherine-wu-cdls-kwek-leng-bengs-adviser>
- 103 *Ibid.*
- 104 *Ibid.*
- 105 Lim, J. (2025, March 12). CDL Saga: Kwek Leng Beng discontinues lawsuit against son Sherman Kwek. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/property/cdl-executive-chairman-kwek-leng-beng-drops-lawsuit-against-son-sherman-kwek>
- 106 City Developments Limited. (2025, April 23). Minutes of the Sixty-Second Annual General Meeting [Press release]. Retrieved from https://links.sgx.com/FileOpen/CDL_AGM%20Minutes%2023%20April%202025.ashx?App=Announcement&FileID=846426

107 *Ibid.*

108 *Ibid.*

109 *Ibid.*

110 *Ibid.*

111 *Ibid.*

112 *Ibid.*

113 *Ibid.*

114 Ho, J. (2025, April 23). Of doctors and snakes: Sparks fly at CDL AGM as board, shareholders cross-examine family feud. *The Edge Singapore*. Retrieved from <https://www.theedgesingapore.com/news/company-news/doctors-and-snakes-sparks-fly-cdl-agm-board-shareholders-cross-examine-family-feud>

115 *Ibid.*

116 *Ibid.*

117 *Ibid.*

118 *Ibid.*

119 *Ibid.*

120 *Ibid.*

121 *Ibid.*

122 *Ibid.*

123 *Ibid.*

124 *Ibid.*

125 *Ibid.*

126 *Ibid.*

127 *Ibid.*

128 Mak, Y. T. (2025, May 22). City Developments Ltd: Taking a bite out of governance. *Governance For Stakeholders*. <https://governanceforstakeholders.com/2025/05/22/city-developments-ltd-taking-a-bite-out-of-governance/>

129 *Ibid.*

130 *Ibid.*

131 *Ibid.*

132 *Ibid.*

133 *Ibid.*

134 *Ibid.*

135 *Ibid.*

136 *Ibid.*

137 *Ibid.*

138 *Ibid.*

139 *Ibid.*

140 *Ibid.*

141 *Ibid.*

142 Mak, Y. T. (2025, March 18). Is it time for Singapore to have a new organisation for company directors?. *Governance For Stakeholders*. Retrieved from <https://governanceforstakeholders.com/2025/03/18/is-it-time-for-singapore-to-have-a-new-organisation-for-company-directors/>

143 *Ibid.*

144 *Ibid.*

145 *Ibid.*

146 Elangovan, N. (2025, March 2). CDL bypass of Nominating Committee may seem “unusual” but current rules open to interpretation: Observers. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cdl-bypass-nominating-committee-may-seem-unusual-current-rules-open-interpretation-observers>

147 City Developments Limited. (2016, April 20). Constitution of City Developments Limited. Retrieved from <https://ir.cdl.com.sg/static-files/82f6e4cd-cb7e-4b9c-b1ba-d4469c7f3c24>

148 *Ibid.*

149 *Ibid.*

150 *Ibid.*

151 Mak, Y. T. (2025, March 18). Is it time for Singapore to have a new organisation for company directors?. *Governance For Stakeholders*. Retrieved from <https://governanceforstakeholders.com/2025/03/18/is-it-time-for-singapore-to-have-a-new-organisation-for-company-directors/>

152 Mak, Y. T. (2025, May 22). *City Developments Ltd: Taking a bite out of governance*. *Governance For Stakeholders*. <https://governanceforstakeholders.com/2025/05/22/city-developments-ltd-taking-a-bite-out-of-governance/>

153 *Ibid.*

154 *Ibid.*

155 *Ibid.*

156 *Ibid.*

157 *Ibid.*

158 *Ibid.*

159 *Ibid.*

160 *Ibid.*

161 *Ibid.*

162 *Ibid.*

163 *Ibid.*

164 *Ibid.*

165 *Ibid.*

166 *Ibid.*

167 *Ibid.*

168 *Ibid.*

169 *Ibid.*

170 *Ibid.*

171 City Developments Limited. (2024). City Developments Limited Annual Report 2024. Retrieved from <https://ir.cdl.com.sg/static-files/3b0d3a5b-2fd7-49d5-b309-af9efee72c9e>

172 City Developments Limited. (2023). City Developments Limited Annual Report 2023. Retrieved from <https://ir.cdl.com.sg/static-files/9b4cfafa-f291-4881-9a44-9b9d42998ff2>

173 *Ibid.*

174 City Developments Limited. (2025, April 23). Minutes of the Sixty-Second Annual General Meeting. Retrieved from https://links.sgx.com/FileOpen/CDL_AGM%20Minutes%2023%20April%202025.ashx?App=Announcement&FileID=846426

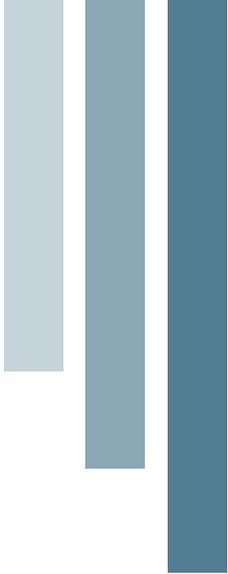
175 *Ibid.*

176 *Ibid.*

177 *Ibid.*

178 *Ibid.*

- 179 City Developments Limited (2025, February 21). Announcement on Changes to the Composition of the Board Committees. Retrieved from https://links.sgx.com/FileOpen/CDL_General%20Announcement_Board_Composition.ashx?App=Announcement&FileID=833760
- 180 *Ibid.*
- 181 *Ibid.*
- 182 City Developments Limited. (2024). City Developments Limited Corporate Governance Report 2024. Retrieved from <https://citydevelopmentslimited.gcs-web.com/static-files/7276dc0c-9f07-4970-83d8-68abb0796b27>
- 183 *Ibid.*
- 184 City Developments Limited. (2025, April 23). Results of Resolutions passed at the 62nd Annual General Meeting of City Developments Limited. Retrieved from https://links.sgx.com/FileOpen/2304_CD_L_Results.ashx?App=Announcement&FileID=842258
- 185 Tiger Brokers. (2025, April 14). Glass Lewis ESG Controversy Alert: City Developments. *Tiger Brokers*. Retrieved from <https://www-web.itiger.com/news/2527681184>
- 186 CALSTRS. (2025, April 23). City Developments Limited. Retrieved from <https://viewpoint.glasslewis.com/WD/MeetingDetail/?siteId=CalSTRS&securityId=42256&meetingId=1366169>
- 187 CalPERS (2025, April 23). City Developments Limited. Retrieved from <https://viewpoint.glasslewis.com/WD/MeetingDetail/?siteId=CalPERS&securityId=42256&meetingId=1366169>
- 188 Norges Bank Investment Management. (2025, April 23). City Developments Limited. Retrieved from <https://www.nbim.no/en/responsible-investment/voting/our-voting-records/meeting?m=1951746>
- 189 Mak, Y. T. (2025, April 9). City Developments Limited: Better transparency in remuneration needed. *Governance For Stakeholders*. Retrieved from <https://governanceforstakeholders.com/2025/04/09/city-developments-limited-better-transparency-in-remuneration-needed/>
- 190 *Ibid.*
- 191 *Ibid.*
- 192 *Ibid.*
- 193 *Ibid.*
- 194 *Ibid.*
- 195 *Ibid.*
- 196 *Ibid.*
- 197 *Ibid.*
- 198 *Ibid.*
- 199 *Ibid.*
- 200 *Ibid.*
- 201 *Ibid.*
- 202 *Ibid.*
- 203 *Ibid.*
- 204 *Ibid.*
- 205 City Developments Limited. (2025, July 15). Change – Announcement of cessation:: Retirement of non-independent non-executive director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/WV8JPC7NQ4E4O4IV/9fce7526a801f294a254814179af7d56947741fa21249de4d17c6d4a6f718c8d>



CORDLIFE: BAD BLOOD BANKING*

Case overview

On 24 July 2023, a member of the public lodged a complaint with the Ministry of Health (MOH), alleging that Cord Blood Units (CBUs) stored in a tank operated by Cordlife Group Limited (Cordlife) had been exposed to temperatures above its acceptable limits, in addition to other service quality issues.¹ The complaint prompted MOH to conduct investigations and unannounced audits from August 2023 to November 2023.² The investigation corroborated the initial claim.³ On 30 November 2023, MOH disclosed that Cordlife had exposed cryopreserved CBUs to suboptimal temperatures, damaging some 2,200 CBUs belonging to at least 2,150 clients and rendering them unsuitable for stem cell transplant purposes.⁴

It was revealed that since November 2020, seven out of 22 Cordlife's storage tanks had exposed cryopreserved CBUs to temperatures above acceptable limits at various times.⁵ In addition, from February to June 2022, Cordlife's temperature monitoring system did not alert Cordlife personnel about temperature excursions in two tanks.⁶ The company eventually announced the lapses after it received a notice from MOH to stop the collection, testing, processing and/or storage of any new cord blood and human tissues for six months, pending written representations to MOH.⁷ In March 2024, the company announced that the Commercial Affairs Department (CAD) and Monetary Authority of Singapore (MAS) were investigating a possible offence relating to the failure to disclose the issues with the temperature of its cryogenic storage tanks.⁸ All the directors, including the recently departed CEO, were arrested or facing arrest.⁹

The objective of this case study is to facilitate discussion of issues relating to corporate governance of a Singapore medical company; risk management; board structure and composition; management turnover; disclosures; shareholders versus stakeholders' interests; remuneration; as well as regulatory issues.

* This case study was originally prepared by Chau En Xing, Clarissa Choi Xin Ying, Dion Mok Kai Si, Tan Wan Qing and Tan Yu Zi. It has been edited by Rachel Tang Kai Xuan under the supervision of Professor Mak Yuen Teen, with additional content added. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

Anatomy of Cordlife

“The vision of Cordlife has been to build a world class, new generation stem cell biotechnology company.”

–Steven Fang, Former Chief Executive Officer of Cordlife (2001-2012)¹⁰

Cordlife Group Limited (Cordlife), established in Singapore in 2001, is a private healthcare company which operates cord blood banks.¹¹ It was founded by Steven Fang (SF), who has a degree in computer engineering and an MBA. SF has experience in business development in several Asian countries, including the establishment of private dialysis centres.¹²

In 2003, Cordlife expanded to Australia through the merger with Cytomatrix, forming CyGenics which was listed in Australia in 2004.¹³ CyGenics subsequently changed its name to Cordlife.¹⁴ The company obtained accreditation by the Association for the Advancement of Blood and Biotherapies (AABB) in 2005 and expanded further in Asia.¹⁵ In March 2012, Cordlife listed on the Mainboard of the Singapore Exchange (SGX).¹⁶

Cordlife is an industry leader in Indonesia, Hong Kong and the Philippines, and one of the top three market leaders in India and Malaysia.¹⁷ It operates Asia’s largest network of cord blood banks.¹⁸ It has more than 600,000 customers and operates in 11 markets in Asia, with seven full-fledged facilities in six markets.¹⁹ As a cord blood bank operating in Singapore, Cordlife is required to be licensed by MOH. It has also voluntarily acquired various accreditations. In addition to seven AABB accredited facilities, it also has two facilities accredited by the College of American Pathologists (CAP).²⁰

The company has also won numerous awards over the years such as the ‘Most Transparent Company’ in 2013 at the Securities Investors Association Singapore (SIAS) Investors Choice Awards and received ‘Technology Pioneer’ status by Geneva-based World Economic Forum in 2007.²¹

As at 30 November 2023, it had a market capitalisation of just over S\$110 million.²²

Shareholders

As of 18 April 2024, the largest shareholders of Cordlife, all based in China (including Hong Kong) and each directly holding five percent or more of Cordlife’s shares include: TransGlobal Real Estate Group Limited (TransGlobal) which held 27.88%, Nanjing Xinjiekou Department Store Co., Ltd (NJXJK) with 20.24%, and China Stem Cells (East) Company Limited with 9.96%.²³

Based on direct and deemed interests as of 18 April 2024, Yuan Yafei had total interest of 30.19%, including through NJXJK, making him the largest beneficial shareholder of Cordlife. TransGlobal was the second largest shareholder. Another shareholder, Li Defu had deemed interest of 7.07%. On 27 January 2024, Robust Plan Limited Holding had sold off 4.6 million shares via off-market transactions and ceased being a substantial shareholder, owning only a 3.67% stake in Cordlife.²⁴ Another shareholder, Chen Yi Dan, had deemed interest of 4.99%.²⁵

Business structure

Cordlife’s main business segment is the provision of Cord Blood Banking and Umbilical Cord Lining Banking services,²⁶ which can be used to harvest Haematopoietic Stem Cells²⁷ (HSCs) and Mesenchymal Stem Cells,²⁸ respectively, for the treatment of over 80 diseases, including blood cancers and metabolic disorders.²⁹ Cord blood is collected and stored immediately after a baby has been delivered.³⁰ Its storage service charges an upfront initial payment of S\$1,950 and an annual payment of S\$250 from the ages of one to 20, but is free from age 21 onwards.³¹ A suite of diagnostic services, including newborn metabolic screening, is also provided,³² though it contributes

less than 10% of Cordlife's revenue. The company also owns seven stem cell cryopreservation facilities across Asia, which serve as backups in emergencies.³³

Despite its geographical diversification and expansion efforts, Cordlife has experienced a declining trend in its revenue and profit in recent years. Its revenue fell from S\$59.0 million in FY2020 to S\$56.7 million in FY2021 and then to S\$55.2 million in FY2022, while its net profit after tax fell from S\$6.6 million to S\$6.1 million and then to S\$4.9 million over those three years.³⁴

The company's business was also affected by the onset of the Covid-19 outbreak in December 2019.³⁵ Social distancing measures and closed borders led to the cancellation or postponing of many marketing events such as baby fairs, causing fewer cord blood samples to be processed.³⁶ This was coupled with lower live birth rates in its core markets where Singapore, India and Hong Kong account for 43%, 15% and 13% of its revenue respectively. Singapore's fertility rate follows a declining trend and fell to a historic low of 0.97 in 2023, declining further from the record low of 1.04 in 2022 and 1.12 in 2021.³⁷ For Hong Kong, its fertility rate plunged to 0.8, which is the lowest in the world, and the number of babies hit a 40% decline over four years, dropping to 32,500 in 2022 from 52,900 in 2019.³⁸ India's fertility rate plummeted from nearly 6.2 in 1950 to under two in 2021 and is projected to fall further to 1.29 by 2050.³⁹

Over the past five and 10 years, the share price of Cordlife decreased by more than 50% and 80% respectively.⁴⁰

Science behind the business

In 1956, the first successful bone marrow transplant took place when the recipient, who suffered from leukaemia, was treated with healthy bone marrow from his identical twin. This groundbreaking procedure marked the beginning of modern regenerative medicine and paved the way for the involvement of stem cells in the treatment of various blood disorders and cancers.⁴¹

Stem cells are a unique population of cells that possess the ability to self-renew and recreate functional tissues that can develop into many different cell types, making them ideal for treating regenerative diseases.⁴² While pluripotent stem cells have the ability to differentiate into all of the cells of the adult body, they are only found in human embryos.⁴³ On the contrary, adult stem cells are found in developed organs and tissues throughout all stages of life but can only differentiate to yield the specialised cell types of that organ or tissue.⁴⁴

HSCs are a type of adult stem cell found in the bone marrow that can differentiate into any type of blood cell.⁴⁵ A compatible donor is essential for a successful bone marrow transplant to reduce the risk of graft rejection, a serious complication where the body attacks the donor's stem cells.⁴⁶ Matched donors can be siblings, family members, or unrelated individuals found through a donor registry. Finding a matching donor, however, is easier said than done, especially for individuals from single-child families with no siblings, or siblings whose blood does not constitute a perfect match. Given these challenges, umbilical cord blood has emerged as a promising alternative source of HSCs.⁴⁷

Cord blood banking

Cord blood, which remains in the umbilical cord after birth, contains higher levels of HSCs than normal blood, and possesses the same properties as blood found in bone marrow.⁴⁸ Preserving cord blood stem cells at birth thus ensures a supply of HSCs without the complication of locating a matched donor.⁴⁹

In 1988, the first cord blood stem cell transplant took place on a 6-year-old boy with a genetic bone marrow disease.⁵⁰ Following its success, public cord blood banks started appearing in the early 1990s, with private banks emerging later in the decade.⁵¹ Singapore hosts one public cord blood bank, Singapore Cord Blood Bank (SCBB), and three private cord blood banks, including Cordlife.⁵²

CBUs are collected and processed within 36 to 48 hours, with the processed units being gradually frozen until they reach temperatures below -180°C .⁵³ They are then transferred to large tanks filled with liquid nitrogen, where they will be preserved at temperatures below -150°C .⁵⁴ Being exposed to temperatures above the latter may cause the cord blood to thaw and be damaged, rendering it unsuitable for stem cell transplants.⁵⁵

Bloody Catastrophe

On 24 July 2023, a member of the public lodged a complaint with MOH, alleging that CBUs stored in a Cordlife tank had been exposed to temperatures above its acceptable limits, and had other service quality issues. This prompted MOH to conduct investigations and unannounced audits in August and November 2023.⁵⁶

On the evening of 30 November 2023, news broke that Cordlife was under investigation by MOH after seven of its tanks storing CBUs were exposed to temperatures above acceptable limits. Cordlife was ordered to stop the collection, testing, processing and/or storage of any new cord blood and human tissues, or provide any new types of tests to patients, for a period of up to six months. It was given 14 days to make representations to MOH.⁵⁷

The investigations revealed that around 2,200 CBUs in one of the affected tanks (Tank A) belonging to about 2,150 clients were exposed to temperatures above minus 150 degrees Celsius, the acceptable limit for CBUs, for several days in February, March and June 2022. Cordlife's CBUs had been exposed to temperatures above acceptable limits in seven of its 22 storage tanks at different periods, dating back to November 2020.⁵⁸

However, during the company's last biennial routine inspection in September 2022, random checks had not found any lapses relating to the temperature of the storage tanks. Furthermore, no incidents were disclosed by Cordlife during or after the routine inspection.⁵⁹

In addition, Cordlife's temperature monitoring system had failed to send notifications of the temperature excursions in two tanks to Cordlife personnel between February and June 2022. The company's six-monthly preventative maintenance was also not carried out for two tanks in 2022. Further, a new cord blood processing method implemented in August 2023 was not properly validated according to approved plan and protocol.⁶⁰

MOH added that Cordlife had tested some of the donated CBUs stored in Tank A to establish the cell viability of the affected CBUs. A panel of three cord blood banking experts appointed by MOH to conduct an independent review of Cordlife's test results unanimously concluded that the CBUs stored in Tank A had been damaged, and were unlikely to be suitable for stem cell transplant purposes.⁶¹

MOH said that Cordlife had "not taken adequate steps to expeditiously escalate, address and rectify the above issues, including the systemic problems which may have led or contributed to them", and that investigations were ongoing for the remaining six storage tanks, which contain approximately 17,300 CBUs belonging to about 17,050 clients.⁶²

MOH would consult the panel of experts to determine if similar tests should be performed for the CBUs stored in the six tanks, pending the outcome of the probe. It would consider further enforcement actions, including imposing financial penalties or prosecution.⁶³

Shortly after the media reports, Professor Mak Yuen Teen, a corporate governance advocate, posted on his LinkedIn: "Oh wow. This may be a business-ending risk management failure".⁶⁴ Indeed, the news sent shock waves to the market and the share price plunged by more than 30% the next day, from its previous closing price of S\$0.46 on 30 November 2023 to S\$0.31,⁶⁵ with more than 1.2 million shares changing hands - a sharp increase in trading volume compared to the 20,500 shares traded the previous day.⁶⁶

In addition, Cordlife was directed by MOH to "take appropriate remedial actions to address the lapses and strengthen their governance and processes" and was informed that MOH would closely monitor and audit them. MOH also instructed Cordlife to reach out to all its clients to address their concerns.⁶⁷

In response to the directive from MOH, the company said that the CBUs in the first tank comprised 2.66% of all CBUs stored by Cordlife's facility in Singapore. While the cord blood in the first tank had been damaged and was unlikely to be suitable for stem cell transplant purposes, Cordlife said it would continue to store these affected units as "they may still be valuable in light of developments in the field of cell and gene therapy".⁶⁸

The company would continue to store the cord blood for clients whose units are housed in the first tank until their child turns 21. The company would waive all future storage fees for the affected clients until then. The company also said it would honour its commitment to find them a suitable CBU, if in the opinion of their healthcare provider, it was subsequently determined that their child's cord blood cannot be successfully used for a transplant. It added that it was in the process of contacting all of its clients to "inform them of the status of their cord blood units or to outline the ongoing testing".⁶⁹

The then Group Chief Executive Officer (GCEO) Tan Poh Lan (TPL) said: "In our 22 years of storing cord blood in Singapore and across the region, this is the only time that such incidents have happened... We recognise that we have fallen short of the high standards that we hold ourselves to, and we sincerely apologise to our clients and will work diligently to regain their trust."⁷⁰ In further comments to his LinkedIn post that same evening, Professor Mak questioned Tan's comment, asking "Only time and last time?". He added: "They will have very rich clients. Expect expensive lawsuits. Need to also look at their disclosures as a listed company. And whether directors discharged their duties. Another case study to add to my list."⁷¹

On 13 December 2023, Cordlife accepted the six-month suspension from MOH without making representations.⁷²

Further lapses were identified in early 2024.⁷³ Cordlife subsequently requested for a trading halt on 14 March 2024, with effect from 1 April 2024.⁷⁴ Extensions to the trading halt were then filed on 4 April 2024, 5 April 2024,⁷⁵ and 8 April 2024.⁷⁶

On 8 April 2024, MOH announced that about 5,300 CBUs stored in a second Cordlife tank had been deemed "non-viable", on top of the 2,200 CBUs damaged in the first tank.⁷⁷

On 9 April 2024, applications for extension of time to hold the Annual General Meeting (AGM) and to publish the sustainability report were filed.⁷⁸

On 22 March 2024, the company announced that the CAD and MAS were investigating a possible offence relating to the failure to disclose in a timely manner the issues with the temperature of its cryogenic storage tanks, which had only been disclosed by the company on 30 November 2023.⁷⁹

Dollars before ethics?

Even though the Board was informed of irregular temperatures in one of its tanks in February 2023, the company did not make any announcement after assessing that there would be "no material impact on the financial performance of the group" for the FY 2022 and FY 2023,⁸⁰ until it received the notice from MOH on 30 November 2023.

In a LinkedIn post, Professor Mak said: "This is simply unbelievable and it shows how flawed our disclosure based regime is, the mindset of many boards regarding transparency and accountability, and the expectation SGX has cultivated in listed issuers that only transactions and events with an impact on short term financials need to be disclosed. I think MAS should look into possible breaches of the continuous disclosure requirement under 203 of the SFA. As I said earlier, this failure could be business ending."⁸¹

David Gerald, CEO of the SIAS, noted that "Cordlife's action to only focus on the financial impact when deciding on materiality was patently wrong and it appears that the emotional impact on customers was not deemed sufficiently important, or for that matter, material to warrant prompt disclosure."⁸²

The company's clients said that the company had not been clear in its communications, sending them vague emails that did not clearly inform them of the status of their child's CBU.⁸³

Even though the company said that it did not disclose the temperature excursions for its storage tanks earlier because it believed that there would be no material impact on the financial performance of the group for the FY 2022 and FY 2023, its net profit for the second half of 2023 declined by 50.3% to S\$1.5 million from S\$3 million in 2022, with its top-line decline coming from the six-month suspension imposed by MOH during which the company continued to incur fixed running costs.⁸⁴

Frosty foundations

In 2020, Cordlife had eight board members.⁸⁵ Dr Ho Choon Hou (HCH), then aged 47,⁸⁶ served as the Acting Chairman and Independent Non-Executive Director (INED) of the company.⁸⁷ His tenure dates to June 2011 when he was appointed as a director.⁸⁸ Concurrently, he serves as the Managing Director of Southern Capital Group, overseeing investment activities.⁸⁹ He also holds the position of INED at Advanced Holdings, Mclean, and Vividthree Holdings.⁹⁰ HCH has a Bachelor of Medicine and Surgery degree, as well as Master's degrees in Medicine (Surgery) and Business Administration.⁹¹

HCH held the position of Non-Independent Non-Executive Director (NINED) since the company's listing until his re-designation to an INED in 2018.⁹² The Nominating Committee (NC), of which he was a member, justified this transition by attributing his initial NINED designation to his co-founder status and active involvement in the Group, which warranted extra compensation.⁹³ However, after the company divested from China Cord Blood Corporation in 2016, HCH ceased receiving these additional fees and took on a less prominent role within the Group.⁹⁴

TPL, then aged 58,⁹⁵ brought experience to her roles as Executive Director (ED) and GCEO with her previous background as the Chief Executive Officer (CEO) of Fortis Healthcare Singapore and other hospitals.⁹⁶ Her first appointment in 2016 included being ED and the Group Chief Operating Officer (GCOO),⁹⁷ but she retired from her ED position a year later.⁹⁸ In 2018, she resumed the ED position and took over the role of GCEO.⁹⁹ TPL holds a Master of Business Administration and graduated with Honours in Occupational Therapy.¹⁰⁰

Mr. Joseph Wong Wai Leung (JWWL), a foreign resident then aged 65,¹⁰¹ held the role of an INED since 2014.¹⁰² JWWL started his career at Big Four accounting firms, PricewaterhouseCoopers and Deloitte Touche Tohmatsu (Hong Kong), and his experience includes supporting initial public offerings, taxation, asset protection plans for high-net-worth individuals and wealth management advice.¹⁰³ He holds a Bachelor of Commerce degree.¹⁰⁴

Yeo Hwee Tiong (YHT), then aged 63,¹⁰⁵ was appointed as an INED in 2018¹⁰⁶ and concurrently served as the Senior Advisor for a healthcare organisation.¹⁰⁷ YHT has participated in the pre-development and planning, construction, project management, hospital management, restructuring of hospitals, as well as M&A.¹⁰⁸ He also held a GCEO position at Singapore Women's & Children's Medical Group.¹⁰⁹ YHT has Bachelor of Science (Building) and Master of Science (Project Management) degrees.¹¹⁰

Mr. Fong Chi Wah (FCW), a foreign resident then aged 56,¹¹¹ assumed the role of NINED in 2019.¹¹² He simultaneously held the roles of CFO and Company Secretary at a Stock Exchange of Hong Kong (SEHK)-listed company, as well as director of its subsidiary.¹¹³ Prior to this, he held directorship positions in other listed companies on the SEHK.¹¹⁴ FCW's past experiences involve direct investment, project and structured finance and capital markets.¹¹⁵ He holds a Master's degree in practising accounting and a Doctorate in Business Administration.¹¹⁶

Ms. Wang Lin (WL), a then 37-year-old foreign resident,¹¹⁷ also assumed the role of NINED in 2019.¹¹⁸ During 2020, Wang also held the role of a Deputy General Manager at a gene testing and diagnostic company in China.¹¹⁹ She holds a Bachelor of Bioengineering degree as well as Master's degrees in Business Administration and Finance.¹²⁰

Mr. Chang Chien (CC), a foreign resident then aged 43,¹²¹ also assumed the role of NINED in 2019.¹²² He concurrently serves as Director of other companies, one of which is SEHK-listed.¹²³ His past involvements include developing business development strategies and long-term business relationships with clients.¹²⁴ CC holds a Bachelor of Arts degree in Public and Social Administrations.¹²⁵

Mr. Zhai Lingyun (ZL), a then 48-year-old foreign resident,¹²⁶ was appointed as an NINED in 2019.¹²⁷ ZL was also the Chairman of other companies at the same time.¹²⁸ He previously had experience in managing culture and media, reforming management systems and revitalising businesses.¹²⁹ He holds a Certificate in Economics and a Master of Business Administration degree in Financial Management.¹³⁰

JWWL was re-designated as Chairman in December 2021, with HCH as Vice Chairman, but stepped down from this role in February 2024.¹³¹ As Vice Chairman, HCH oversaw M&As and investments.¹³² HCH was also re-designated back as a NINED when he became Vice Chairman.¹³³ Additionally, ZL assumed the Chairman role in NJXJK.¹³⁴

FCW, WL and CC left the Board in December 2021 and another three NINEDs joined.¹³⁵ They were Ms. Chen Xiaoling (CX), also known as Shally Chen, a foreign resident then aged 30,¹³⁶ Mr. Yiu Ming Yiu (YMY), then aged 33,¹³⁷ and Mr. Chow Wai Leong (CWL), then aged 53.¹³⁸

CX specialises in M&A, strategic planning, corporate finance, and branding.¹³⁹ She is concurrently the Senior Business Assistant to the Chairman and Senior Director of Strategy Department in the Immune-Therapy & Stem Cell Business Unit of NJXJK.¹⁴⁰ CX is also a member of the Board of Supervisors of Shandong Cord Blood Bank and the director of Findgene.¹⁴¹ She holds a Master's degree and Bachelor's degree in English Literature and Culture.¹⁴²

YMY is concurrently holding the Chairmanship in another company in China, where he oversees factoring contracts with clients and identifies emerging markets that provide reasonable risk return.¹⁴³ YMY is also the Vice Chairman of Transglobal Group (International) and the son of Mr. Yiu Chi Shing, an indirect controlling shareholder of Cordlife through his company, Transglobal.¹⁴⁴ He is also the brother of Mr. Yiu Pang Fai (YPF), who would later hold the position of GCEO in Cordlife from February 2024 to February 2025. YMY has a Master's degree in Business Administration and a diploma in Business Information Technology.¹⁴⁵

CWL is also concurrently a General Manager at another company.¹⁴⁶ He previously held roles as a software and consultancy sales leader, as well as Business Development Director, with a focus on the refining and petrochemical industries.¹⁴⁷ He holds a Bachelor of Computer Engineering degree and Executive Master of Business Administration.¹⁴⁸

Lastly, Mr. Titus Jim Cheong Tuck Yan (TJCTY), then aged 58,¹⁴⁹ also joined as an INED.¹⁵⁰ This brought the proportion of INEDs to one-third of the Board. TJCTY is concurrently the Chief Financial Officer (CFO) of another company.¹⁵¹ He is a seasoned corporate advisor in corporate turnaround, M&A, corporate finance, and business and IT strategy and holds a Bachelor's degree in finance and economics.¹⁵²

The Board composition remained unchanged in 2022.¹⁵³

Board Committees

There were three board committees from 2020 to 2022, namely the Audit and Risk Committee (ARC), Remuneration Committee (RC) and Nominating Committee (NC). Their compositions are shown in Figures 1 and 2 below.

Name of Director	Board	ARC	RC	NC
Dr. Ho Choon Hou	Acting Chairman and INED	Member	Chairman	Member
Mr. Joseph Wong Wai Leung	INED	Chairman	N.A.	N.A.
Mr. Yeo Hwee Tiong	INED	N.A.	Member	Chairman
Mr. Fong Chi Wah	NINED	Member	Member	N.A.
Mr. Zhai Lingyun	NINED	N.A.	N.A.	Member

Figure 1: 2020 Board Committees¹⁵⁴

Name of Director	Board	ARC	RC	NC
Mr. Joseph Wong Wai Leung	Chairman and INED	Chairman	Member	N.A.
Dr. Ho Choon Hou	Vice-Chairman and NINED	Member	N.A.	N.A.
Mr. Yeo Hwee Tiong	INED	Member	Chairman	Chairman
Mr. Cheong Tuck Yan Titus Jim	INED	Member	Member	Member
Mr. Zhai Lingyun	NINED	N.A.	N.A.	Member
Ms. Chen Xiaoling	NINED	N.A.	Member	N.A.
Mr. Yiu Ming Yiu	NINED	Member	N.A.	N.A.
Mr. Chow Wai Leong	NINED	N.A.	Member	N.A.

Figure 2: 2021 to 2022 Board Committees^{155,156}

Old blood

“I was not given an option to renegotiate my contract. I was told that I could resign or the company would terminate my services. I chose to resign to pursue other interests.”

– Yee Pinh Jeremy, Ex-GCEO of Cordlife (2012-2016)¹⁵⁷

Cordlife had previously found itself in the spotlight when Mr. Yee Pinh Jeremy (YPJ), the company’s GCEO from 2012 to 2016, suddenly left and said that his departure was due to the absence of an option to renegotiate his contract.¹⁵⁸ He was asked to either resign or face termination of his services by the company.¹⁵⁹ His statement was made in response to an allegation made by Mr. Goh Jin Hian (GJH), then Chairman of the RC, during a SIAS-moderated shareholder dialogue, that YPJ resigned because he “didn’t want to renegotiate” and “wanted full 10 percent” of the profit as part of the automatic renewal clause.¹⁶⁰ GJH is the son of the former Singapore Prime Minister, Mr. Goh Chok Tong.

Mr. Ho Sheng (HS) resigned in 2018 due to “health reasons” after about 16 months as Chairman,¹⁶¹ and was then succeeded by GJH.¹⁶² GJH and HS shared a connection through New Silkroutes Group (NSG),¹⁶³ where HS was an INED while GJH was the GCEO and ED of the company.¹⁶⁴ In a press statement released in 2017, GJH remarked that HS’s “deep corporate experience and keen interest in ethics and corporate governance” would be beneficial to NSG.¹⁶⁵

HCH had assumed the role of Acting Chairman in 2020¹⁶⁶ due to GJH’s resignation amidst a lawsuit regarding an alleged breach of director’s duties at Inter-Pacific Petroleum.¹⁶⁷ The NC and the Board explained in

an announcement that due to the lawsuit, GJH would step down as Chairman of the Board immediately to focus more on his personal matters.¹⁶⁸

Cold hard cash

Cordlife's remuneration structure for EDs and key management personnel included a Share Grant Plan (SGP) approved on 18 October 2013 with a maximum operation period of 10 years, i.e., up to 17 October 2023.¹⁶⁹ Eligible participants included key senior management, employees, and NEDs at the RC's absolute discretion, and these participants received fully paid ordinary shares administered by the RC, free of charge, upon achieving prescribed performance targets and expiry of prescribed vesting periods ranging from one to three years.¹⁷⁰ No shares were released if threshold targets were not met at the end of the vesting period, whilst additional shares of up to 200% of the initial award could be delivered if superior targets were met.¹⁷¹ Awards under the SGP included the Restricted Share Award (RSA), which was only granted to the Group's employees, and the Performance Share Award (PSA).¹⁷²

The RSA was granted subject to time-based and performance-based restrictions. Over a two-year performance period, participants were required to maintain a sustained performance level of 1 or 2 (out of 5) and remain in the high potential talents ("HiPo") talent pool.¹⁷³ Upon meeting these conditions, 50% of the award would vest, with the balance vesting in the third year.¹⁷⁴ The final payout ranged from 0% to 100%, depending on the achievement of the pre-set performance level rating over the performance period.¹⁷⁵

The PSA was granted upon the meeting of financial and non-financial performance targets over one FY. Financial Key Performance Indicators (KPIs), including Group Revenue, Gross Profit Margin, Profit before Tax, Return on Invested Capital, as well as execution of key projects that contribute to the Group's long-term growth, accounted for 80% of the final performance achievement computation.¹⁷⁶ Non-financial KPIs, including quality standards, customer service standards, people objectives and 360 feedback, accounted for the remaining 20% of the final performance achievement computation.¹⁷⁷ Upon meeting the stated performance conditions over a one-year performance period, 50% of the award would vest, with the balance vesting in the second year.¹⁷⁸

There were no contractual provisions to allow the company to reclaim incentive components from its EDs and key management personnel in exceptional circumstances, such as the misstatement of financial results or misconduct leading to financial loss to the company, as it believed these provisions to be unnecessary given the "ample statutory and regulatory penalties to address such circumstances".¹⁷⁹

TPL, then ED and GCEO, received total remuneration ranging from S\$500,000 to S\$750,000 each year from 2020 to 2022, with this figure comprising of 70% salary and 26% bonus in 2020;¹⁸⁰ 68% salary and 28% bonus in 2021;¹⁸¹ and 78% salary and 18% bonus in 2022.¹⁸² Allowances remained at four percent each year across the three years.^{183,184,185}

Cordlife's top five key executives from 2020 to 2022 were Choo Boon Yong (CBY) (CFO), Thet Hnin Yi (THY) (Group Finance Director in 2020 and 2021, CFO in 2022), Jamie Woon Geok Peng (Brand Director), Stella Lee Mei Suan (Organisational Development Director) and Tan Hui Ying (Quality and Operations Director). During this period, CBY and THY received total remuneration ranging from S\$250,000 to S\$500,000 each year, whilst the other three received total remuneration of S\$250,000 and below each year.^{186,187,188} On average, the total remuneration for these five executives comprised of 76% salaries and 20% bonuses in 2020,¹⁸⁹ 72% salaries and 23% bonuses in 2021,¹⁹⁰ and 82% salaries and 13% bonuses in 2022.¹⁹¹ The percentage of allowances remained within the range of three to six percent each year for each executive across the three years.^{192,193,194}

Cordlife did not disclose the fee structure used to determine the remuneration of the Non-Executive Directors and Independent Directors. Non-Executive Directors and INEDs were said to be paid a basic and fixed Director's fee determined by the Board befitting each director's level of contribution, time spent, efforts and individual responsibilities, subject to the approval of shareholders at each AGM.¹⁹⁵ However, none of the NINEDs were paid fees, except HCH. In FY2023, HCH, who was Acting Chairman, was paid fees of S\$215,000, JWVL was paid S\$135,000, while YHT and TJCTY were each paid S\$95,000.¹⁹⁶

Frostbitten risk management

“It is shocking and puzzling how this accident happened because the storage tanks are supposed to have multiple layers of protection. It is hard to imagine how so many layers failed simultaneously.”

-Dr Frances Verter, Founder of the United States Parents Guide to Cord Blood Foundation¹⁹⁷

In the wake of the saga, The Straits Times published a piece on the protocols undertaken by cord blood banks to manage CBUs.¹⁹⁸ According to local cord blood banks, various internal controls are implemented to ensure safe storage.¹⁹⁹

Firstly, CBUs are stored in cryogenic tanks filled with liquid nitrogen.²⁰⁰ These tanks are typically connected to a large storage tank of bulk liquid nitrogen replenished using an automated system to guarantee continuous availability, with its levels monitored manually and automatically.²⁰¹

Secondly, all cord blood banks are mandated to install temperature monitoring systems that operate around the clock and trigger alarms when the temperature begins to rise.²⁰² While different banks may establish different temperature thresholds for triggering the alarm, the system remotely alerts laboratory staff if any issue arises.²⁰³ In the case of the SCBB, its system will activate audio and visual alarms while simultaneously sending SMS notifications to alert its staff.²⁰⁴ If the employees fail to address the alarm, the issue escalates to its senior management.²⁰⁵

Thirdly, cord blood banks may implement backup measures.²⁰⁶ In anticipation of unforeseen circumstances, they may establish backup tanks and prepare backup batteries for their temperature-monitoring systems and plumbing systems for liquid nitrogen, in case of a power outage.²⁰⁷

Lastly, the banks perform regular checks and audits to ensure cryogenic tanks are within acceptable temperatures below -150°C.²⁰⁸

Cordlife's "vigilant" risk protocols

Cordlife's Board had formed an ARC.²⁰⁹ The ARC oversees the implementation of a robust risk management system and internal controls by the management.²¹⁰ It is also responsible for providing recommendations on the adequacy and effectiveness of risk management and internal control systems to the Board.²¹¹ The ARC also engages in discussions with its external auditor to review audit results and evaluate the internal control system.²¹²

Cordlife's stance is that no internal control system will preclude all errors and irregularities.²¹³ Hence, its system is designed to mitigate, rather than eradicate, the risk of failing to achieve business objectives.²¹⁴ The controls provide reasonable but not absolute assurance to safeguard shareholders' investments and their assets.²¹⁵ In 2022, under the requirements of SGX's Listing Rules, the ARC and the Board said that their internal controls addressing financial, operational, compliance, and information technology controls, as well as risk management systems, were adequate and effective.²¹⁶

However, Cordlife omitted any mention of its risk management framework and processes in its corporate governance report, with scant information about risk management disclosed within its sustainability report.²¹⁷ In determining the material ESG factors pertinent to business and key stakeholders, Cordlife adhered to the GRI Standards' Materiality Principle in conducting a materiality assessment.²¹⁸ Following the Board's review and approval, it identified 10 material ESG factors.²¹⁹ These factors include compliance with laws and regulations and the security of storage facilities.²²⁰

Cordlife's strategy to address these factors entailed reviewing its Standard of Operating Procedures (SOPs) and related documents, alongside conducting systematic internal audits on critical business functions such as laboratory and operations annually, to ensure strict compliance with the latest regulatory requirements.²²¹ Additionally, quarterly quality training sessions are conducted to inform employees about the recent regulatory requirements.²²² Cordlife also implemented the Corrective Preventive Action system, serving as a centralised monitoring and recording platform for any deviations to enable real-time monitoring of non-conform.²²³ This facilitates the effective implementation of additional preventive measures to minimise compliance issues and streamline workflows across the facility.²²⁴

Furthermore, to foster a culture of transparency and accountability, Cordlife established a whistleblowing policy, providing employees with accessible avenues to report instances of misconduct.²²⁵ It also incorporated whistleblowing into the standard agenda for quarterly meetings of the ARC and the Board.²²⁶ During these meetings, both the ARC and the Board will receive and deliberate upon any whistleblowing reports or incidents.²²⁷

On top of these controls, Cordlife also appointed Ernst & Young Advisory Pte. Ltd. (EY) as its internal auditor responsible for performing internal audits.²²⁸ EY maintained a direct reporting line to the Chairman of the ARC and was afforded unimpeded access to all documents, records, properties, and personnel.²²⁹ Moreover, representatives from EY overseeing the internal audit were invited to the ARC Meeting to present their findings from the internal audit.²³⁰

Cordlife completed a rigorous on-site inspection by MOH auditors, which found full compliance with the regulations.²³¹ Consequently, its licenses were renewed in January 2021, valid until January 2023.²³² In addition, Cordlife's storage facility at A'Posh Bizhub also passed stringent audits conducted by MOH, AABB, and FACT.²³³

Lapses in controls

Notwithstanding Cordlife's control implementation efforts and passing audits, MOH discovered that seven of its 22 storage tanks were exposed to temperatures above the acceptable limits of above -150°C at different periods.²³⁴ Nevertheless, a spokesperson from SCBB contended that if the lid of a tank were to be left unopened, it would take three to five days for its temperature to go from -170 °C to -150°C.²³⁵ Therefore, he posited that there should have been ample time for Cordlife to resolve the issue and preserve the unit.²³⁶

The investigations conducted by MOH brought to light numerous potential violations of health regulations, including ineffective incident reporting frameworks, inadequate training and competency of staff, and the inappropriate storage of CBUs, among other concerns.²³⁷ Specifically, MOH revealed disruptions in the automatic temperature alert system which failed to notify personnel when temperatures in two tanks deviated between February and June 2022.²³⁸ Furthermore, Cordlife departed from its SOPs to conduct six-monthly preventive maintenance for two of its tanks in 2022.²³⁹ The newly implemented cord blood processing method in August 2023 also lacked validation in accordance with the approved plan and protocols.²⁴⁰

The response to queries by SGX revealed further inadequacies in the managing of CBUs by Cordlife. Cordlife disclosed that the last internal audit conducted for its laboratory process was in 2012, suggesting a deviation from the controls disclosed in its sustainability report.²⁴¹ Nonetheless, it said that MOH, AABB, and FACT conduct

audits on its laboratory processes on a biennial basis,²⁴² and consequently it decided to allocate internal audit resources to other areas of its business.²⁴³

While management swiftly conducted internal investigations after being alerted by an employee in June 2022,²⁴⁴ MOH's investigations underscored Cordlife's inadequate steps to expeditiously escalate, address, and rectify issues, including systematic problems, that potentially contributed to the incident.²⁴⁵ Consequently, MOH mandated that Cordlife fortify its governance and processes which MOH will closely monitor and audit.²⁴⁶

Results of tests for investigated tanks

On 8 April 2024, it was revealed that test results for the tanks under investigation by the MOH found that five of the six cryogenic storage tanks tested were at low risk of being adversely affected by temperature excursions (the Low-Risk Tanks).²⁴⁷ These tanks housed approximately 13,700 CBUs, and all tested CBUs exhibited cell viability and potency.²⁴⁸

However, the last cryogenic storage tank (Tank 6) and dry shipper, collectively housing 5,300 CBUs, was at high risk of being adversely affected by the temperature excursions (the High-Risk Tanks).²⁴⁹ The tests affirmed that four of 12 tested CBUs from Tank 6 and seven of 12 tested CBUs from the dry shipper demonstrated cell viability and potency.²⁵⁰ Consequently, Cordlife could not assure the viability and potency of every CBU stored in the High-Risk Tanks and deemed the CBUs in these facilities as non-viable.²⁵¹

MOH ascribed the temperature excursions in three Low-Risk Tanks to “displacement of the respective temperature probe during routine maintenance” and “the incorrect mapping of temperature probe data” for the fourth Low-Risk Tank.²⁵² In the fifth Low-Risk Tank, temperatures exceeded the -150 °C threshold set by AABB and FACT for five hours, with the highest reaching -144.7°C.²⁵³ This deviation stemmed from “a delay in replenishing liquid nitrogen”.²⁵⁴ Similarly, MOH said that temperature excursions in the High-Risk Tanks were attributed to “shortcomings in the way temperature checks were conducted, causing delays in replenishing liquid nitrogen to regulate tank temperatures”.²⁵⁵

Recycled and new blood

Following the exposure of the lapses in the CBUs and regulatory actions, JWWL resigned as Chairman on 29 February 2024 due to “personal family and health reasons” but remained on the Board.²⁵⁶ HCH was reappointed as Acting Chairman.²⁵⁷ TPL resigned as ED and GCEO to pursue personal interests.²⁵⁸

On 19 February 2024, Cordlife announced YPF, 34,²⁵⁹ as the new GCEO following Tan's resignation, on the grounds that he possesses the necessary expertise and capability to undertake the duties and responsibilities of GCEO.^{260,261} Due to potential conflicts of interest, YMY and CWL abstained from voting.²⁶² Both are NINEDs of Cordlife and nominee directors of TransGlobal, Cordlife's controlling shareholder.²⁶³ Two other NINEDs, CX and ZL, who opposed YPF's appointment, also abstained from voting.²⁶⁴

YPF had previously served as the ED of TransGlobal Group's Family Office division in Hong Kong, where his responsibilities included evaluating new investment opportunities for the company.²⁶⁵ Before his tenure at TransGlobal, YPF worked as an Investment Manager at Macquarie Infrastructure and Real Assets, where he assessed infrastructure opportunities, managed funds, and assets, and executed deals.²⁶⁶ Additionally, he has held executive roles at Popular Holdings, Sichuan Chengmian Expressway, and Hebei Shitai Expressway.²⁶⁷ YPF has no prior experience as a director of an issuer listed on the Exchange.²⁶⁸ YPF holds a Bachelor of Science in Business Administration degree with a specialisation in Finance and Business.²⁶⁹

“There's a possibility that they are thinking of selling the core business and going into real estate and investments - a common strategy for companies that know of no better things to do.”

–Professor Mak Yuen Teen, Corporate Governance Advocate²⁷⁰

The appointment of YPF as the group's new CEO was said to be "unlikely to be what its investors and customers were looking for".²⁷¹ Several public stakeholders, including Professor Mak, expressed concerns over the appointment of YPF as the new GCEO due to a mismatch of relevant skillsets as a leader of the cord blood bank management team.²⁷² YPF reassured shareholders that his professional background in handling large-scale infrastructure projects across the region makes him "acutely aware of the importance of robust standard operating procedures and equipment operating procedures".²⁷³

Directors face intense heat

On 14 March 2024 and 18 March 2024, two major shareholders, NJXJK and TransGlobal, took opposing stances and sought to remove directors from the Board through separate requests, namely the "First Requisition Notice" and "Second Requisition Notice" respectively.²⁷⁴

In the First Requisition Notice, NJXJK proposed to remove Acting Chairman HCH, and Independent Directors YHT, TJCTY, and JWVL from the Board.²⁷⁵ Subsequently, in the Second Requisition Notice, TransGlobal proposed the rejection of NJXJK's proposal and sought the removal of two NINEDs, CX and ZL, who hold positions in NJXJK and were previously nominated by the company.²⁷⁶

On 22 March 2024, Cordlife's former GCEO and ED TPL was arrested along with four Non-Executive Directors - Acting Chairman HCH, Independent Directors YHT and TJCTY, and NINED CWL.²⁷⁷ The arrests were for potential breaches of the company's disclosure obligations under Section 203 of the Securities and Future Act 2001, relating to the delay in the announcement of the mishandling of the CBUs.²⁷⁸ All were released on bail.²⁷⁹

The CAD and MAS also issued a notice to Cordlife pursuant to Section 21 of the Criminal Procedure Code 2010, requiring Independent Director JWVL and NINEDs ZL, CX and YMY to attend an interview with the CAD on 2 April 2024.²⁸⁰

On the same day, the company announced that the majority of the Board was of the view that "it would be in the interests of the Company for all Directors to continue serving on the Board", including the directors who had been arrested and released on bail, as they had been "overseeing and providing guidance on the ongoing work undertaken by the Company to investigate and address the lapses identified by the Ministry of Health".²⁸¹

Cordlife announced on 24 March 2024 that the proposed resolutions in the First Requisition Notice would be tabled while the Second Requisition Notice was invalid as TransGlobal is "not a member" and hence "not entitled to requisition an EGM".²⁸²

On 27 March 2024, Cordlife received a "Third Requisition Notice" from TransGlobal, containing the same proposed resolutions as the Second Requisition Notice.²⁸³ On the same day, Cordlife's CFO THY was also arrested in connection with the investigations, and was subsequently released on bail.²⁸⁴

Based on an announcement made on 4 April 2024, all proposed resolutions in the Third Requisition Notice would be tabled at the upcoming AGM except the third proposed resolution regarding the removal of CX.²⁸⁵ The reported reason was that CX "is not listed as a Director of the Company in the business profile of the Company as extracted from the Accounting and Corporate Regulatory Authority of Singapore on 27 March 2024".²⁸⁶ Consequently, the third proposed resolution was voided.²⁸⁷

On 5 April 2024, following his interview with the CAD, YMY was also arrested and subsequently released on bail.²⁸⁸ ZL and CX obtained permission from the CAD to postpone their interviews to 21 May 2024, while JWVL informed the CAD that he was unable to attend his interview due to health reasons, and was uncertain on the next interview date.²⁸⁹

Frozen trust, heated claims

Before the matters raised in the requisition notices could be resolved, a new dispute between the two factions emerged. On 17 April 2024, Cordlife announced that on 16 April 2024, the company had entered into two subscription agreements with Charming Global Enterprises Limited and Ng Junwei, Darren for the subscription of 44,540,066 and 6,655,412 of new ordinary shares in the capital of the company respectively, at an issue price of S\$0.16 for an aggregate cash consideration of S\$8,191,276.²⁹⁰ The issue price represents a 4.9% premium to the 2-week volume weighted average price of S\$0.1525 per share for trades done on the SGX-ST on 15 April 2024, the last full market day on which the shares were traded prior to the date of the subscription agreements.²⁹¹

The purpose of the proposed subscription was said to be to allow Cordlife to strengthen its financial position by raising net cash proceeds of approximately S\$8,041,276.²⁹² Cordlife announced that it intended to utilise 49.7% of the proceeds as working capital and to rebuild Cordlife's Singapore brand, and 50.3% as a cash reserve for contingency.²⁹³ The proposed subscriptions would result in an almost 20% increase in Cordlife's share capital, and an almost 20% decrease in Earnings per Share as at 31 December 2023.²⁹⁴

On 22 April 2024, Cordlife announced that solicitors for NJXJK, ZL, and CX (the Claimants) had filed an application to the High Court of Singapore against Cordlife, HCH, YHT, TJCTY, YMY, CWL, and YPF (the Defendants), seeking an injunction restraining the Defendants from issuing or allotting any ordinary shares in the company pursuant to the subscription agreements.²⁹⁵ An interim injunction was granted by the High Court on 19 April 2024, pending the hearing on the application.²⁹⁶ On 25 April 2024, the Defendants filed an application to set aside the interim injunction, which was, however, dismissed on 10 May 2024.²⁹⁷ Subsequently, Cordlife announced that it would no longer proceed with the proposed subscriptions.²⁹⁸

On 15 May 2024, CX was arrested in connection with the investigations and released on bail, following her interview with the CAD. Cordlife subsequently announced on 19 May 2024 that the Board was of the view that it would be in the interests of the company for CX to continue serving on the Board.²⁹⁹

Cold crisis, hot seats

“They’re not Singaporeans and they’re not here. They haven’t really given a plan on what they want to do with the company.”

–Mr Jude, a minority shareholder in Cordlife³⁰⁰

In its AGM notice dated 29 April 2024, Cordlife set out the resolutions proposed by NJXJK and TransGlobal in the earlier requisition notices, as well as resolutions to appoint Dato’ Teo Tong Kooi (TTK), Dr Xu Tianhong (XT), and Mr Cai Yong (CY) as Directors of the company.³⁰¹

TTK, a foreign resident then aged 67, was concurrently serving as the CEO of DPS Corporate Advisory Limited and as an Independent Director of two other companies. TTK holds a Bachelor of Science degree in Marketing Management, a Master of Business Administration degree, and a Doctor of Professional Studies in Business degree.³⁰²

XT, a foreign resident then aged 47, was concurrently serving as the CEO of Base Therapeutics Group Holding Limited and as a board member in three other companies. He holds an M.D. and M.S. from Fudan University and a Ph.D. in Molecular and Human Genetics.³⁰³

CY, a foreign resident then aged 43, has management experience in multinational corporations as well as large state-owned and private enterprises in the PRC, particularly in financial management, risk management and project management.³⁰⁴ He holds a Bachelor of Accounting degree, Master’s degree from the Tsinghua

University School of Economics and Management, and a Doctoral degree from the Department of History at Peking University.³⁰⁵

On 30 April 2024, Cordlife announced that, in support of the board renewal process, JWWL would not be seeking for re-election at the upcoming AGM to be held on 14 May 2024, and that he would retire as an INED and member of the ARC and RC at the conclusion of the AGM.³⁰⁶ As such, the resolution sought by NJXJK to remove JWWL from the Board was not tabled at the AGM.³⁰⁷

In a LinkedIn post, Professor Mak said: “MOH needs to get them to appoint enough Singapore-based directors. That would be interesting as it may only be the desperate ones who would agree to join the board given the situation the company is in.”³⁰⁸

One day prior to the AGM, Cordlife announced that it had received a notice from MOH which sought to draw the company’s attention to section 23(1) of the HCSA, which requires licensees to ensure that their key appointment holders are suitable persons to act in that capacity, and that the board composition satisfies prescribed competencies. MOH highlighted that, in light of Cordlife’s ongoing investigations, regulatory suspension, and the need to rectify serious lapses identified in earlier inspections, the Board must provide strong local oversight and respond expediently to regulatory directions. Notably, MOH underscored that a relevant consideration would be whether the Board members were physically present in Singapore.³⁰⁹

During the AGM, TransGlobal withdrew its proposed resolutions to reject NJXJK’s proposal and remove ZL. Accordingly, TransGlobal’s proposed resolutions were not tabled at the AGM.³¹⁰

The remaining resolutions sought by NJXJK to remove HCH, YHT, and TJCTY from the Board were tabled at the AGM.³¹¹ Cordlife’s shareholders voted for the removal of Acting Chairman, HCH, and Independent Director, YHT, and voted against the re-election of TJCTY as an Independent Director.³¹² The three new INEDs proposed by NJXJK³¹³ – TTK,³¹⁴ XT,³¹⁵ and CY³¹⁶ – were appointed to replace HCH, YHT, and TJCTY.

With effect from 23 May 2024, TTK was appointed as Chairman of the Board and a member of the ARC,³¹⁷ XT was appointed as a member of the NC and RC,³¹⁸ and CY was appointed as the Chairman of the ARC and a member of the NC and RC.³¹⁹

ZL’s interview with the CAD was rescheduled to 25 July 2024,³²⁰ and he was subsequently arrested in connection with the investigations and released on bail.³²¹ As of 6 June 2025, no further updates have been made by Cordlife regarding the date of JWWL’s interview with the CAD, or the outcome of any such interview.

Legal avalanche

“It would be premature to determine whether any legal action would be successful, given that MOH is currently conducting investigations.”

– *Nicholas Tang, Founder and Managing Director of Farallon Law Corporation*³²²

On 8 April 2024, Cordlife offered customers a refund of annual fees paid since “the start of temperature excursion”, with an additional waiver of subsequent fees until their children turn 21.³²³ Moreover, the company assured clients that it would continue storing their CBUs until their service agreements mature. It would also honour its commitment to finding a suitable CBU in the event that a cord blood transplant is required, upon assessment by a transplant physician that their child’s CBU does not meet the viability criteria.³²⁴ Some parents have expressed their unhappiness with this compensation, feeling that they have been “paying for nothing”.³²⁵

Affected clients of Cordlife have possible contractual grounds to seek recourse against Cordlife, with the type and quantum of damages highly dependent on the clients’ terms of their contracts with Cordlife.³²⁶ According to a clause in a client service agreement provided by one of Cordlife’s affected clients, which was issued in

January 2013 by the company, Cordlife would pay damages of US\$25,000 (S\$33,300) to the client under several conditions.³²⁷ In newer contracts, damages outlined go up to S\$50,000.³²⁸ In a separate clause pertaining to “all other cases”, Cordlife’s liability to the client and their child “will not exceed the amount of fees” the client has paid to Cordlife.³²⁹

In addition, as Cordlife’s services aim to “provide a peace of mind” to its clients in the event of a medical emergency, the courts may also award further damages with regards to the “psychological impact” on clients.³³⁰ Mr. Steven Lam, the Founder and Director of Templars Law LLC, also mentioned the option for affected parties to approach the Consumers Association of Singapore to “see whether the matter could be mediated”.³³¹

In February 2024, Cordlife received notice of a claim lodged against the company in the Small Claims Tribunal from one of Cordlife’s clients, alleging the damage of the client’s child’s cord blood unit resulting from the Company’s storage of the cord blood unit.³³² The claim was subsequently withdrawn by the claimant.³³³

On 2 May 2024, Cordlife announced that it had received its first letter of demand from solicitors acting on behalf of one of Cordlife’s clients, alleging a breach by Cordlife of the service agreement entered into between Cordlife and the client and a breach of the duty of care in negligence, and seeking damages between S\$60,000 and S\$250,000.³³⁴ Cordlife, after obtaining legal advice, stated that it does not agree with the client’s contention that the company is barred from relying on certain provisions of the contract, and that it intends to defend the claim.³³⁵

On 28 March 2025, Cordlife received two more letters of demand from solicitors acting for two groups of persons, who had identified themselves as clients whose CBUs stored with Cordlife were either unlikely to be suitable for stem cell transplant purposes; or stored in tanks that had been identified as falling within the “low risk” or “unaffected” category. The first group of persons sought damages exceeding S\$250,000 for breach of contract and negligence. The second group of persons requested for certain warranties and undertakings from the company as well as compensation for costs.³³⁶

Cordlife noted that if it was ultimately required to settle the amounts in full for each of the persons identified in the letters, the Group’s financial position for FY2025 would likely be adversely affected.³³⁷

In an update on 6 June 2025, the company said that as of 30 May 2025, approximately 56% of affected customers have accepted its offers made in February and April 2024 under which the annual fees received from these customers from the start of the temperature excursion will be refunded. All subsequent fees for active customers whose children CBUs are stored in the damaged and high-risk tanks will also be waived, and the company will continue to store CBUs for these customers until their child turn 21.³³⁸

The melting point

On 22 March 2024, YPF detailed efforts aimed at strengthening Cordlife’s procedures and rebuilding trust with its stakeholders through the introduction of stringent measures to enhance its operational standards.³³⁹ Some of the initiatives include: enlisting the expertise of the FACT to provide guidance and reinforce its procedures and organisational structure; implementing a more advanced digitalised lab monitoring system to enhance real-time monitoring of the company’s Singapore laboratory facility, both remotely and on-site; fortifying Cordlife’s fail-safe measures to ensure uninterrupted operations even under adverse conditions; providing extensive staff training to explain the rationale and importance of every SOP and EOP while also cultivating a stronger sense of accountability and responsibility; and increasing the number of experienced technical personnel to improve laboratory expertise and processing capabilities.³⁴⁰

Further inspections conducted by MOH in April and May 2024 to evaluate Cordlife’s progress in rectifying the identified issues revealed that Cordlife had yet to complete the validation of the AXP II System for cord blood processing, the development of its relevant operating procedures and practices for the AXP II System, and the

training and competency assessment of its staff in using the system.³⁴¹ As such, on 27 May 2024, MOH issued a second notice which extended the suspension of Cordlife's activities by an additional three months, with effect from 15 June 2024.³⁴²

On 15 August 2024, Cordlife disclosed that AABB had withdrawn Cordlife's AABB accreditation for the collection, processing, storage and distribution of cord blood, and that AABB accreditation would only be provided after Cordlife was permitted by MOH to resume its business and Cordlife had fully resolved all quality issues and had several months of records available for on-site inspection.³⁴³

On 30 August 2024, Cordlife received a third notice from MOH, which permitted the company to resume its cord blood banking service operations in a controlled manner. The notice proposed a modification to the conditions of Cordlife's cord blood banking service license that restricted it from collecting, testing, processing or storing more than 30 units of new cord blood from infant donors per month from 15 September 2024 to 13 January 2025.³⁴⁴ These terms were accepted by Cordlife.³⁴⁵

Cordlife's Singapore operations fully resumed on 14 January 2025,³⁴⁶ after its cord blood banking service and human tissue banking service licences under the HSA were renewed for a period of one year with effect from 14 January 2025.³⁴⁷

Fresh blood in the boardroom

On 14 November 2024, Cordlife announced further changes to the composition of its Board, with the appointment of three more INEDs – Mr. Gao Xiang (GX),³⁴⁸ Dr. Wang Xiaorui (WX),³⁴⁹ and Mr. Sim Sze Kuan (SSK).³⁵⁰ Cordlife also announced the resignation of CY as an Independent Director of the company with effect from 30 November 2024.³⁵¹

GX, a Singapore resident then aged 55, was appointed as Chairman of the ARC in place of CY.³⁵² GX concurrently serves as a Director in two other companies and had previously served as Chairman and CEO of Anhui Taoliwang Technology Company Ltd. He holds a Bachelor of Arts degree, an MBA degree in Finance, a non-degree EMBA in Corporate Management and an EMBA degree in Finance.³⁵³

WX, a Singapore resident then aged 41, was appointed as a member of the NC to replace CY.³⁵⁴ WX concurrently serves as a Clinical Scientist of SCG Cell Therapy Pte. Ltd. (Singapore) and has prior experience in senior roles at BioNova Pharmaceuticals, Zensun, and A*STAR. She possesses a Ph.D. in Biochemistry and a Bachelor's degree of Life Science.³⁵⁵

SSK, a foreign resident then aged 60, was appointed as a member of the RC, replacing CY.³⁵⁶ SSK concurrently serves as a consultant in a Hong Kong law firm and an Of Counsel in a Singapore law firm, as well as a member of the Institutional Review Board at Nanyang Technological University and a member of two committees in the Law Society of Hong Kong. He is a qualified solicitor in Hong Kong and Singapore, and has been admitted to the bar in England & Wales and New York.³⁵⁷

On 8 January 2025, Cordlife announced that TTK had stepped down as Chairman of the Board, but would remain as an Independent Director, Chairman of the NC and RC, as well as a member of the ARC.³⁵⁸ TTK's position was succeeded by ZL, who was re-designated from NINED to Non-Independent Non-Executive Chairman.³⁵⁹ ZL had served as Chairman at NJXJK from 2019 to 2024³⁶⁰ and had previously opposed YPF's appointment as GCEO.³⁶¹

The high attrition rate among the newly appointed Directors was questioned by the SIAS. In response, Cordlife stated that the reasons for resignations were to pursue personal commitments and to focus on other commitments, and that there were no unresolved differences in opinion on material matters with the Board.³⁶²

Shortly after, YPF tendered his resignation from his position as GCEO on 12 February 2025 “to pursue other opportunities”, with his cessation effective from 28 February 2025.³⁶³

On 19 February 2025, Cordlife appointed a new INED, Ms Yuen Wai (YW),³⁶⁴ and announced the resignation of TTK as an Independent Director.³⁶⁵ YW, a foreign resident aged 49, has previously held key leadership positions within the Cordlife Group of companies, including HealthBaby Hong Kong and Cordlife Hong Kong.³⁶⁶ She holds a Master’s degree in Philosophy of Basic Medical Science and a Bachelor’s degree in Science from The Chinese University of Hong Kong.³⁶⁷

TTK’s roles were succeeded by GX, as the Chairman of the NC; ZL, as a member of the NC; and SSK, as the Chairman of the RC.³⁶⁸ YW took over SSK’s and TTK’s roles as a member of the RC and ARC respectively.³⁶⁹

As of 6 June 2025, only three of the nine Directors on the Board mainly reside in Singapore.³⁷⁰

On 6 June 2025, Cordlife announced the appointment of CX, who had previously been designated as Group ED on 17 July 2024, as GCEO and CEO of Singapore.³⁷¹

A hot commodity?

On 23 February 2024, Cordlife received a letter sent by SAC Capital Private Limited (SAC Capital) on NJXJK’s behalf, indicating that NJXJK was reviewing its shareholding in Cordlife with the possibility of making an offer for the company’s shares not already owned or controlled by NJXJK (the First SAC Letter).³⁷² The First SAC Letter clarified that NJXJK had not made any firm decision to proceed with the potential offer and that there was no certainty that an offer would be made.³⁷³

On 22 March 2024,³⁷⁴ 22 April 2024,³⁷⁵ 23 May 2024,³⁷⁶ 21 June 2024,³⁷⁷ and 25 June 2024,³⁷⁸ Cordlife received five more letters from SAC Capital stating that NJXJK was still reviewing the potential offer. Yet, on 26 August 2024, Cordlife received a seventh letter from SAC Capital, indicating that NJXJK had decided to discontinue pursuing the potential offer due to the possibility of incurring “risks that are not aligned with NJXJK’s investment criteria and business strategy”.³⁷⁹

Interest in Cordlife was renewed in 2025, when Cordlife received a voluntary conditional cash partial offer from Thailand-listed Medeze Group Public Company Limited, made through its wholly owned subsidiary, Medeze Treasury Pte. Ltd.³⁸⁰ The Medeze Group is a leader in the Southeast Asia stem cell storage and services market and was recognised as the Southeast Asia Stem Cell Banking Company of the Year by Frost & Sullivan in 2023 and 2024.³⁸¹ It also possesses an AABB accredited laboratory equipped with modern equipment and technology in the stem cell banking industry. The Medeze Group recorded total revenue of THB 874.3 million and net profit of THB 338.7 million, representing growth of 23.6% and 41.4% year-on-year respectively.³⁸² Medeze Group’s asset base more than tripled to over THB 3.4 billion, following its successful listing of the Stock Exchange of Thailand and strategic reinvestment into technology and capacity.³⁸³

The offer was announced on 13 May 2025 and sought to acquire 10.07% of Cordlife’s issued ordinary shares (excluding treasury shares)³⁸⁴ at an offer price of S\$0.25 per share, which represented a 61.3% premium over both the last traded price on 9 May 2025 and the 12-month volume-weighted average price.³⁸⁵ The partial offer would enable Medeze Treasury to increase its direct holdings in Cordlife to approximately 10.68% of the total number of shares (excluding treasury shares).³⁸⁶ The Medeze Group indicated that the rationale of the acquisition was to “collaborate with existing controlling shareholders and management to drive sustainable value creation for all stakeholders” and allow Medeze Group and Cordlife to “provide services to each other’s customers which helps to strengthen the market position and network of Medeze Group and Cordlife”.³⁸⁷ Subsequently, the formal offer document was despatched on 28 May 2025.³⁸⁸

On 29 May 2025, Cordlife announced that it had appointed Novus Corporate Finance Pte. Ltd. as the independent financial adviser (IFA) to advise the directors of the company who are considered independent for the purposes of the partial offer (the Recommending Directors), and that a circular containing the advice of the IFA and the Recommending Directors would be issued to the shareholders within 14 days of the despatch of the offer document.³⁸⁹

Chilling financial performance

Cordlife reported revenue of S\$27.8 million for FY2024, representing a 50% decline from the S\$55.7 million recorded in FY2023.³⁹⁰ In addition, Cordlife saw a net loss after tax of S\$18.7 million in FY2024, compared to a net profit of S\$3.6 million in FY2023, as well as a decline in gross profit in FY2024 by 68.6% to S\$11.7 million from S\$37.3 million a year ago.³⁹¹

The company's poor financial performance was mainly attributed to the almost nine-month suspension of Cordlife's Singapore operations, a S\$10.4 million revenue reversal related to the refunds/waivers for the High-Risk tanks, and softer customer sentiment.³⁹²

Epilogue

Cordlife continues to face significant challenges, as collection rates remain below the company's pre-incident average.³⁹³ It is still in the process of working with AABB and FACT to restore its accreditations for Singapore.³⁹⁴

In its business update on 6 June 2025, the company reported that only approximately 56% of affected customers had accepted the company's offers for fee refunds and waivers.³⁹⁵ This increased to about 57% as at 30 June 2025.³⁹⁶

On 10 July 2025, Cordlife announced an enhanced package for its affected customers. Under this enhanced package, there would be further financial support and expanded coverage in addition to the earlier offer. These include an extension of five years to the existing blood storage period until a customer's child turns 26 years old, at no additional cost to the customer. A standardised and enhanced warranty clause which standardises the value of damages to the upper limit of S\$50,000 for all affected customers was also added. Cordlife's obligation to pay will be triggered once the CBU is determined to be unsuitable for an approved transparent solely due to non-viability, with no additional conditions imposed. The scope of the warranty was also expanded to cover situations where the CBU is required for a transplant for the donor's biological sibling, provided it is a suitable match, but is found to be non-viable. Worldwide coverage for all medical conditions that require stem cell transplant of up to S\$50,000 was also introduced. On 14 August 2025, Cordlife clarified that the enhanced warranty coverage applied only if the use of the CBU in a transplant was unsuccessful solely due to the CBU's non-viability and no suitable replacement CBU could be found.³⁹⁷

The potential legal exposure and regulatory consequences that the company faces remain uncertain. In announcing the enhanced package, Cordlife said that based on the preliminary estimates of the enhanced package and the pace of recovery of the business since the resumption of the company's business from 14 January 2025, "the outlook for the financial year ending 31 December 2025 remains uncertain and there is no assurance that the Company can resume profitability in the financial year ending 31 December 2025." On 14 August 2025, Cordlife reported that the aggregate quantum of all claims by customers that it had formally received was approximately S\$8.7 million.³⁹⁸

The partial offer from Medeze closed on 25 June 2025, with Medeze's stake only increasing from 0.68% prior to the offer to 0.95%, far short of the 10.68% stake it was aiming to achieve.³⁹⁹

On 3 July 2025, Cordlife announced yet another departure from the Board when NINED CWL, who was appointed in December 2021, stepped down "in order to focus on other commitments."⁴⁰⁰

On 14 August 2025, the company announced that its Group CFO, THY, had tendered her resignation to the board “to focus on personal priorities”,⁴⁰¹ and would continue to serve as Group CFO until 14 November 2025.⁴⁰² On the same day, Cordlife announced the appointment of a new Group CFO, Wu Yifei (WYF).⁴⁰³ WYF had previously served as Group CFO of PharmaBlock Sciences (Nanjing), Inc and Effort Intelligent Equipment Co Ltd. She holds a Bachelor of Science degree in International Accounting from Nanjing University.⁴⁰⁴

Whether Cordlife’s new Board will successfully navigate these difficulties remains an open question, as the company works to restore confidence and stability amidst ongoing scrutiny.

Discussion Questions

1. What are the key factors that contributed to Cordlife’s scandal? Which, in your opinion, is the most significant factor?
2. Discuss what it means for a company to have good corporate culture and its importance for Cordlife and its stakeholders. Based on the facts of the case, evaluate whether there are potential culture issues within Cordlife.
3. Critically evaluate the Board composition of Cordlife. How does the ownership structure of Cordlife affect the Board composition and how might it affect board dynamics and decision-making?
4. Explain in what ways, if any, the Board clearly failed to ensure corporate governance.
5. What are the different lines of defence that mitigate against risks such as the damaging of cord blood units? In your view, which line(s) of defence clearly failed and why?
6. Critically evaluate the remuneration policies for executives and key management personnel in the Cordlife Group. To what extent do you believe that they contributed to the scandal?
7. Did the Board respond appropriately when informed of the irregular temperatures by its employees? If not, what should the Board have done instead? Throughout the incident, did Cordlife comply with the necessary disclosure obligations under the SGX and SFA rules?
8. In the aftermath of the scandal, how might Cordlife instil renewed confidence and credibility among the public? Why is this critical for the organisation’s future success and reputation?

Endnotes

- 1 Channel NewsAsia. (2023, December 15). Timeline: Cordlife's mishandling of CBUs in Singapore. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-units-timeline-investigation-moh-3991136>
- 2 *Ibid.*
- 3 Koh, W. T., & Ganesan, N. (2023, December 1). 'No amount of money can replace it': Parents demand answers after Cordlife mishandles children's cord blood. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-parents-upset-moh-investigation-3958866>
- 4 Lee, L. Y. (2024, November 12). Cordlife Group found to have damaged CBUs of at least 2,150 customers. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/cordlife-group-found-to-have-damaged-cord-blood-units-of-at-least-2150-customers>
- 5 Loh, R. (2023, December 8). Cordlife's affected clients have grounds for legal recourse but compensation may be limited based on contract, say lawyers. *Today Online*. Retrieved from <https://www.todayonline.com/singapore/cordlife-cord-blood-legal-recourse-compensation-contract-lawyer-2317606>
- 6 *Ibid.*
- 7 Ministry of Health Singapore. (2023, November 30). Investigation of Cordlife Group Limited for suboptimal storage temperature for cryopreserved cord blood [Press release]. Retrieved from
- 8 Cordlife Group Limited. (2024, March 22). Investigations by the Commercial Affairs Department [Company announcement]. Singapore Exchange. Retrieved from <https://links.sgx.com/FileOpen/CGL%20-%20Investigations%20by%20%20CAD.ashx?App=Announcement&FileID=792762>
- 9 *Ibid.*
- 10 Cordlife. (2003, August 8). Cordlife Success in Stem Cell Bank. Retrieved from https://www.cordlife.com/news/pdf_cordlifeNews/cordlife_08aug2003.pdf
- 11 Cordlife. (n.d.). Corporate Profile. Retrieved from <https://www.cordlife.com/sg/about-cordlife>
- 12 Asiabiotech. (2007, July 2). Where Blood is its Business. Retrieved from https://www.cordlife.com/news/pdf_cordlifeNews/cordlife_JULY2007_2.pdf
- 13 *Ibid.*
- 14 *Ibid.*
- 15 Cordlife. (n.d.). Milestones. Retrieved from <https://www.cordlife.com/milestones>
- 16 *Ibid.*
- 17 Cordlife. (n.d.). Corporate Profile. *Investor Relations*. Retrieved from <https://cordlife.listedcompany.com/profile.html>
- 18 *Ibid.*
- 19 Cordlife. (n.d.). Home. Retrieved from <https://www.cordlife.com/sg/>
- 20 Cordlife. (n.d.). Accreditations, Certifications and Licenses. Retrieved from <https://www.cordlife.com/accreditations>
- 21 Cordlife. (n.d.). International Accreditations, Certifications and Awards. Retrieved from <https://www.cordlife.com/sg/international-certification>
- 22 Cordlife Group Limited. (2023, November 30). Yahoo Finance, Retrieved from <https://sg.finance.yahoo.com/quote/P8A.SI/history/?period1=1594509681&period2=1752276077>
- 23 Cordlife. (n.d.). Shareholdings Structure. *Investor Relations*. Retrieved from <https://cordlife.listedcompany.com/shareholdings.html>
- 24 Tan, F. (2024, January 26). Cordlife's substantial shareholder sells 4.6 mil shares in off-market transaction. Yahoo Finance. Retrieved from <https://sg.finance.yahoo.com/news/cordlife-substantial-shareholder-sells-4-043652025.html>
- 25 Cordlife. (n.d.). Shareholdings Structure. *Investor Relations*. Retrieved from <https://cordlife.listedcompany.com/shareholdings.html>
- 26 Cordlife. (n.d.). Our Services. Retrieved from <https://www.cordlife.com/our-services>
- 27 Cordlife. (n.d.). Treatable Diseases. Retrieved from <https://www.cordlife.com/sg/treatable-diseases>
- 28 Cordlife. (n.d.). Cord Lining. Retrieved from <https://www.cordlifetech.com/sg/cord-lining>
- 29 Cordlife. (n.d.). Treatable Diseases. Retrieved from <https://www.cordlife.com/sg/treatable-diseases>
- 30 Cordlife. (n.d.). Cord Blood Collection, Processing and Storage. Retrieved from <https://www.cordlife.com/sg/cord-blood-banking>

- 31 Leong, C. T. (2013, October 18). @ CORDLIFE's AGM: Insights into its growth potential. NextInsight. Retrieved from <https://www.nextinsight.net/story-archive-mainmenu-60/919-2013/7534--cordlife-agm-insights-into-its-growth-potential>
- 32 Cordlife. (n.d.). Our Services. Retrieved from <https://www.cordlife.com/our-services>
- 33 Cordlife. (n.d.). Home. Retrieved from <https://www.cordlife.com/sg/>
- 34 Cordlife. (2022). Annual Report 2022. Retrieved from https://cordlife.listedcompany.com/newsroom/20230412_193645_P8A_K45K75DQ9ZYGXGDB.1.pdf
- 35 Soh, L. S. (2020, May 19). CLGL 1Q20 Results Review. *Soochow CSSD Capital Markets*. Retrieved from <https://cordlife.listedcompany.com/misc/CLGL-1Q20-Results-Review.pdf>
- 36 *Ibid.*
- 37 Ganesan, N. (2024, February 28). Singapore's total fertility rate falls to historic low of 0.97. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/singapore/singapore-total-fertility-rate-population-parents-children-4155616>
- 38 Hung, E. (2023, October 26). Explainer | Now or never: why is Hong Kong scrambling to battle record-low birth rates and how are residents reacting? *South China Morning Post*. Retrieved from <https://www.scmp.com/news/hong-kong/health-environment/article/3239322/now-or-never-why-hong-kong-scrambling-battle-record-low-birth-rates-and-how-are-residents-reacting>
- 39 Lal, N. (2024, March 25). India fertility fall puts policymakers on clock to avoid Japan-like strain. *Nikkei Asia*. Retrieved from <https://asia.nikkei.com/Spotlight/Society/India-fertility-fall-puts-policymakers-on-clock-to-avoid-Japan-like-strain>
- 40 TipRanks. (n.d.). Cordlife Group (P8A) Share Price & Analysis. Retrieved from <https://www.tipranks.com/stocks/sg:p8a>
- 41 Science Learning Hub. (2021, October 10). Bone marrow transplants – timeline. Retrieved from <https://www.sciencelearn.org.nz/resources/1971-bone-marrow-transplants-timeline/>
- 42 National Institutes of Health. (n.d.). Stem Cell Basics. Retrieved from <https://stemcells.nih.gov/info/basics/stc-basics>
- 43 *Ibid.*
- 44 *Ibid.*
- 45 Murphy, C. (2019, August 13). Umbilical cord blood and stem cells: how the gift of life keeps giving. *Top Doctors*. Retrieved from <https://www.topdoctors.co.uk/blog/umbilical-cord-blood-and-stem-cells/>
- 46 Chinen, J and Buckley, R. H. (2010). Transplantation immunology: Solid Organ and bone marrow. *J Allergy Clin Immunol. National Library of Medicine*. Retrieved from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2857984/>
- 47 University of Pittsburgh Medical Center. (n.d.). Blood and Marrow Transplantation (BMT) and Cellular Therapies Donor Information. Retrieved from <https://www.chp.edu/our-services/blood-marrow-transplant-cellular-therapies/resources/donor-information>
- 48 Murphy, C. (2019, August 13). Umbilical cord blood and stem cells: how the gift of life keeps giving. *Top Doctors*. Retrieved from <https://www.topdoctors.co.uk/blog/umbilical-cord-blood-and-stem-cells/>
- 49 *Ibid.*
- 50 Waller-Wise, R. (2022, October 1). Umbilical Cord Blood Banking. *National Library of Medicine*. Retrieved from [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9584102/#:~:text=The%20first%20public%20cord%20blood,1990s%20\(Kurtzberg%2C%202017\)](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9584102/#:~:text=The%20first%20public%20cord%20blood,1990s%20(Kurtzberg%2C%202017))
- 51 HealthHub. (2021, July 5). Cord Blood Banking. Retrieved from <https://www.healthhub.sg/live-healthy/pregnancy-cord-blood-banking>
- 52 Chan, R. (2023, December 1). CNA Explains: What is cord blood banking and why do parents do it? *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-banks-cna-explains-pros-cons-3957146>
- 53 *Ibid.*
- 54 *Ibid.*
- 55 *Ibid.*
- 56 Chan, R (2023, November 30). Cordlife storage tanks exposed to suboptimal temperature, damaging cord blood units of at least 2,150 customers. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-units-bank-storage-tanks-investigation-moh-3956191>
- 57 *Ibid.*
- 58 *Ibid.*
- 59 *Ibid.*
- 60 *Ibid.*

- 61 *Ibid.*
- 62 *Ibid.*
- 63 *Ibid.*
- 64 Mak, Y. T. (n.d.). Oh wow. This may be a business-ending risk management failure. *LinkedIn*. Retrieved from https://www.linkedin.com/posts/yuen-teen-mak-88b34a15_cordlife-probed-after-storage-tanks-exposed-activity-7135950172613722112-8oEP/?trk=public_profile_like_view&originalSubdomain=pl
- 65 Tan, S. A. (2023, December 1). Cordlife shares sink over 40% after storage lapses damage thousands of clients' CBUs. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/cordlife-shares-sink-over-40-after-storage-lapses-damaged-thousands-of-clients-cord-blood-units>
- 66 *Ibid.*
- 67 *Ibid.*
- 68 Chan, R (2023, November 30). Cordlife storage tanks exposed to suboptimal temperature, damaging cord blood units of at least 2,150 customers. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-units-bank-storage-tanks-investigation-moh-3956191>.
- 69 *Ibid.*
- 70 *Ibid.*
- 71 Mak, Y. T. (n.d.). Oh wow. This may be a business-ending risk management failure. *LinkedIn*. Retrieved from https://www.linkedin.com/posts/yuen-teen-mak-88b34a15_cordlife-probed-after-storage-tanks-exposed-activity-7135950172613722112-8oEP/?trk=public_profile_like_view&originalSubdomain=pl.
- 72 Channel NewsAsia. (2023, December 15). Timeline: Cordlife's mishandling of CBUs in Singapore. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-units-timeline-investigation-moh-3991136>
- 73 Lee, L. Y. (2024, January 26). Cordlife lapses: Viability results of 19,700 CBUs to be released by end-March. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/cordlife-lapses-viability-results-of-19700-cord-blood-units-to-be-released-by-end-march>
- 74 Singapore Business Review. (2024, April 10). Cordlife extends trading halt for third time. Retrieved from <https://sbr.com.sg/stocks/news/cordlife-extends-trading-halt-third-time>.
- 75 *Ibid.*
- 76 Low, M. W. (2024, April 8). Further extension of trading halt. *Cordlife Group Limited*. Retrieved from https://cordlife.listedcompany.com/newsroom/20240408_081259_P8A_WZL8X4E6DE34DZ8D.1.pdf
- 77 Channel NewsAsia. (2024, April 8). Cordlife probe: Another 5,300 CBUs deemed to be 'non-viable', says MOH. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-probe-5300-cord-blood-units-non-viable-health-ministry-4250676>
- 78 Pei, M. (2024, April 11). Cordlife seeks to extend AGM, sustainability report deadlines. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/cordlife-seeks-to-extend-agm-sustainability-report-deadlines>
- 79 Cordlife Group Limited. (2024, March 22). Investigations by the Commercial Affairs Department. Retrieved from <https://links.sgx.com/FileOpen/CGL%20-%20Investigations%20by%20%20CAD.ashx?App=Announcement&FileID=792762>
- 80 Lim, R. (2023, December 10). Cordlife did not disclose irregular temperatures earlier as board assessed 'no material impact' on financials. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cordlife-did-not-disclose-irregular-temperatures-earlier-board-assessed-no>
- 81 Mak, Y. T. (n.d.). https://www.linkedin.com/posts/yuen-teen-mak-88b34a15_cordlife-did-not-disclose-irregular-temperatures-activity-7139561256931250176-aL7g
- 82 *Ibid.* Securities Investors Association (Singapore). (2023, December 15). Commentary - Cordlife: The appropriate test of materiality that should have been applied. Retrieved from <https://sias.org/latest-updates/commentary-cordlife-the-appropriate-test-of-materiality-that-should-have-been-applied/>
- 83 Lee, L. Y. (2023, December 1). 'Might as well put the cord blood in my fridge': Parents slam Cordlife for lapses, unclear e-mails. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/might-as-well-put-the-cord-blood-in-my-fridge-parents-criticise-cord-blood-bank-for-lapses-unclear-e-mails>
- 84 Zhu, M. (2024, March 1). Cordlife posts 50.3% lower H2 profit; sets up Vietnam subsidiary. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/international/asean/cordlife-posts-50-3-lower-h2-profit-sets-up-vietnam-subsiary>
- 85 Cordlife. (2020). Annual Report 2020. Retrieved from https://cordlife.listedcompany.com/newsroom/20210414_230731_P8A_SR27KQL1LO02WKQP.2.pdf

- 86 Advanced Holdings. (2013). Announcement of Appointment of Independent Director Who is An Audit Committee Member. Retrieved from <https://advancedholdings.com/announcement-of-appointment-of-independent-director-who-is-an-audit-committee-member/>
- 87 Cordlife. (2020). Annual Report 2020. Retrieved from https://cordlife.listedcompany.com/newsroom/20210414_230731_P8A_SR27KQL1LO02WKQP.2.pdf
- 88 *Ibid.*
- 89 *Ibid.*
- 90 *Ibid.*
- 91 *Ibid.*
- 92 Cordlife. (2018). Annual Report 2018. Retrieved from https://cordlife.listedcompany.com/newsroom/20190410_171335_P8A_EVB9Q0UXQZ9IOKUH.1.pdf
- 93 *Ibid.*
- 94 *Ibid.*
- 95 SGX Group. (2016, April 13). Change – Announcement of Appointment: Appointment of Ms Tan Poh Lan as Executive Director and Group Chief Operating Officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/WK6HNRQR7VW1VNYI>
- 96 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 97 Cordlife. (2016). Annual Report 2016. Retrieved from https://cordlife.listedcompany.com/newsroom/Cordlife%20AR2016_updated.pdf
- 98 Cordlife. (2017). Annual Report 2017. Retrieved from https://cordlife.listedcompany.com/newsroom/20171011_173858_P8A_LSWUQCIG0LZF1YEV.1.pdf
- 99 Cordlife. (2018). Annual Report 2018. Retrieved from https://cordlife.listedcompany.com/newsroom/20190410_171335_P8A_EVB9Q0UXQZ9IOKUH.1.pdf
- 100 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 101 SGX Group. (2014, September 23). Change – Announcement of Appointment: Appointment of Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/4LVSTSNZPVECOJEP/de2612e2c228d6367ce0ccb42a37d61d0bdf465cd692e0b352cd2f39662a316>
- 102 Cordlife. (2014). Annual Report 2014. Retrieved from <https://cordlife.listedcompany.com/misc/ar2014.pdf>
- 103 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 104 *Ibid.*
- 105 SGX Group. (2018, May 22). Change – Announcement of Appointment: Appointment of Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/DI5FKIHBHTTGAR1E/537901b03e236395eaff22200aba174afeb36f901aa50bc37be0fe89bb4a5ecd>
- 106 Cordlife. (2018). Annual Report 2018. Retrieved from https://cordlife.listedcompany.com/newsroom/20190410_171335_P8A_EVB9Q0UXQZ9IOKUH.1.pdf
- 107 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 108 *Ibid.*
- 109 *Ibid.*
- 110 *Ibid.*
- 111 SGX Group. (2019, January 18). Change – Announcement of Appointment: Appointment of Non-Independent Non-Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/SKYEQ0Q78MHCR3DT/32c8796c524418ba0a10e6bad25852e70c03f3a2e5f30bff9c7eac31780cf3ad>
- 112 Cordlife. (2019). Annual Report 2019. Retrieved from https://cordlife.listedcompany.com/newsroom/20200415_172434_P8A_30TO2EYGMMPBDY.1.pdf
- 113 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 114 *Ibid.*
- 115 *Ibid.*

- 116 *Ibid.*
- 117 SGX Group. (2019, November 13). Change – Announcement of Appointment: Appointment as Non-Independent Non-Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/XML01OODPLDC6L2Q/c9861edf59b3e0ebe4b491bc530cc635cf761a644f4a49002e55cf07e58802ef>
- 118 Cordlife. (2019). Annual Report 2019. Retrieved from https://cordlife.listedcompany.com/newsroom/20200415_172434_P8A_30TO2EYGMMHYPBDY.1.pdf
- 119 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 120 *Ibid.*
- 121 SGX Group. (2021, November 11). Change – Announcement of Cessation: Resignation of Non-Independent Non-Executive Director. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/OZDBF9TWY7LAZFFJ/?futusource=news_web_stockpagenews
- 122 Cordlife. (2019). Annual Report 2019. Retrieved from https://cordlife.listedcompany.com/newsroom/20200415_172434_P8A_30TO2EYGMMHYPBDY.1.pdf
- 123 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 124 *Ibid.*
- 125 Cordlife. (2019). Annual Report 2019. Retrieved from https://cordlife.listedcompany.com/newsroom/20200415_172434_P8A_30TO2EYGMMHYPBDY.1.pdf
- 126 SGX Group. (2019, December 12). Change – Announcement of Appointment: Appointment of Non-Independent Non-Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/8ACPE2SWCTEBW3SU/b1bc311751cf01f696bc11a48372689b2f993956c995463905e590c97f17e1f0>
- 127 Cordlife. (2019). Annual Report 2019. Retrieved from https://cordlife.listedcompany.com/newsroom/20200415_172434_P8A_30TO2EYGMMHYPBDY.1.pdf
- 128 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 129 *Ibid.*
- 130 *Ibid.*
- 131 Cordlife. (2021). Annual Report 2021. Retrieved from https://cordlife.listedcompany.com/newsroom/20220413_185107_P8A_LBQT05KV76OSFDDI.1.pdf
- 132 *Ibid.*
- 133 *Ibid.*
- 134 *Ibid.*
- 135 *Ibid.*
- 136 SGX Group. (2021, November 30). Change – Announcement of Appointment: Appointment as Non-Independent Non-Executive Director. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/H80L8T4UNTKE2FTG/?futusource=news_web_stockpagenews
- 137 SGX Group. (2021, November 30). Change – Announcement of Appointment: Appointment as Non-Independent Non-Executive Director. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/4DXTRUN94R8U1GNZ/?futusource=news_web_stockpagenews
- 138 SGX Group. (2021, November 30). Change – Announcement of Appointment: Appointment as Non-Independent Non-Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/OFZHJ14KCY4MXYYJ/f89993f7a881460694cc629096a10d68e2e8a5bd4e2008f01822c79f8d9458e9>
- 139 Cordlife. (2021). Annual Report 2021. Retrieved from https://cordlife.listedcompany.com/newsroom/20220413_185107_P8A_LBQT05KV76OSFDDI.1.pdf
- 140 *Ibid.*
- 141 *Ibid.*
- 142 *Ibid.*
- 143 *Ibid.*
- 144 *Ibid.*

- 145 *Ibid.*
- 146 *Ibid.*
- 147 *Ibid.*
- 148 *Ibid.*
- 149 SGX Group. (2021, November 30). Change – Announcement of Appointment: Appointment as Independent Director. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/UM2KYTL1WAPE4MY3/?lang=zh-cn&futusource=news_web_stockpagenews
- 150 *Ibid.*
- 151 *Ibid.*
- 152 Cordlife. (2021). Annual Report 2021. Retrieved from https://cordlife.listedcompany.com/newsroom/20220413_185107_P8A_LBQT05KV76OSFDDI.1.pdf
- 153 Cordlife. (2022). Annual Report 2022. Retrieved from https://cordlife.listedcompany.com/newsroom/20230412_193645_P8A_K45K75DQ9ZYGXGDB.1.pdf
- 154 Cordlife. (2020). Annual Report 2020. Retrieved from https://cordlife.listedcompany.com/newsroom/20210414_230731_P8A_SR27KQL1LO02WKQP.2.pdf
- 155 Cordlife. (2021). Annual Report 2021. Retrieved from https://cordlife.listedcompany.com/newsroom/20220413_185107_P8A_LBQT05KV76OSFDDI.1.pdf
- 156 Cordlife. (2022). Annual Report 2022. Retrieved from https://cordlife.listedcompany.com/newsroom/20230412_193645_P8A_K45K75DQ9ZYGXGDB.1.pdf
- 157 Gabriel, A. (2016, May 16). Cordlife ex-CEO tells his side of the story. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cordlife-ex-ceo-tells-his-side-story>
- 158 *Ibid.*
- 159 *Ibid.*
- 160 *Ibid.*
- 161 SGX Group. (2018, March 29). Change – Announcement of Cessation: Resignation of Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/KDB0H8U1SAWY0RXK/11cdf9e67b2f7de7a38e2d3b155cf1bda78c5d6b605cfe7e3744175a383f3209>
- 162 Cordlife. (2018). Annual Report 2018. Retrieved from https://cordlife.listedcompany.com/newsroom/20190410_171335_P8A_EVB9Q0UXQZ9IOKUH.1.pdf
- 163 Stolarchuk, J. (2020, October 15). Ho Ching's brother's links to Goh Jin Hian thrust into spotlight amid IPP lawsuit - Singapore News. *The Independent Singapore News*. Retrieved from https://theindependent.sg/ho-chings-brothers-links-to-goh-jin-hian-thrust-into-spotlight-amid-ipp-lawsuit/#google_vignette
- 164 Cordlife. (2017). Annual Report 2017. Retrieved from https://cordlife.listedcompany.com/newsroom/20171011_173858_P8A_LSWUQCIG0LZFIYEV.1.pdf
- 165 Stolarchuk, J. (2020, October 15). Ho Ching's brother's links to Goh Jin Hian thrust into spotlight amid IPP lawsuit - Singapore News. *The Independent Singapore News*. Retrieved from https://theindependent.sg/ho-chings-brothers-links-to-goh-jin-hian-thrust-into-spotlight-amid-ipp-lawsuit/#google_vignette
- 166 Cordlife. (2020). Annual Report 2020. Retrieved from https://cordlife.listedcompany.com/newsroom/20210414_230731_P8A_SR27KQL1LO02WKQP.2.pdf
- 167 Lam, F. (2020, October 6). Goh Jin Hian steps down as Cordlife chairman amid IPP lawsuit. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/goh-jin-hian-steps-down-cordlife-chairman-amid-ipp-lawsuit>
- 168 SGX Group. (2020, October 5). Cordlife Response to SGX Queries. Retrieved from https://links.sgx.com/FileOpen/Cordlife_Response_to_SGX_Queries_5_Oct_2020.ashx?App=Announcement&FileID=634053
- 169 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 170 *Ibid.*
- 171 *Ibid.*
- 172 *Ibid.*
- 173 *Ibid.*

- 174 *Ibid.*
- 175 *Ibid.*
- 176 *Ibid.*
- 177 *Ibid.*
- 178 *Ibid.*
- 179 *Ibid.*
- 180 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 181 Cordlife. (2021). Annual Report 2021. Retrieved from <https://cordlife.listedcompany.com/misc/ar2021/index.html>
- 182 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 183 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 184 Cordlife. (2021). Annual Report 2021. Retrieved from <https://cordlife.listedcompany.com/misc/ar2021/index.html>
- 185 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 186 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 187 Cordlife. (2021). Annual Report 2021. Retrieved from <https://cordlife.listedcompany.com/misc/ar2021/index.html>
- 188 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 189 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 190 Cordlife. (2021). Annual Report 2021. Retrieved from <https://cordlife.listedcompany.com/misc/ar2021/index.html>
- 191 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 192 Cordlife. (2020). Annual Report 2020. Retrieved from <https://cordlife.listedcompany.com/misc/ar2020/index.html>
- 193 Cordlife. (2021). Annual Report 2021. Retrieved from <https://cordlife.listedcompany.com/misc/ar2021/index.html>
- 194 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 195 *Ibid.*
- 196 Cordlife. (2023). Annual Report 2023. Retrieved from <https://ir.listedcompany.com/tracker.pl?type=5&id=278083&m=bc8b8a9f0168423915b8daada1d75d62e8e1b488ab1253e1f8d99606a6d07e52&redirect=https%3A%2F%2Fcordlife.listedcompany.com%2Fmisc%2Far2023.pdf>
- 197 Lee, L. Y. (2023, December 27). How Singapore cord blood firms ensure safe storage. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/how-singapore-cord-blood-firms-ensure-safe-storage>
- 198 *Ibid.*
- 199 *Ibid.*
- 200 *Ibid.*
- 201 *Ibid.*
- 202 *Ibid.*
- 203 *Ibid.*
- 204 *Ibid.*
- 205 *Ibid.*
- 206 *Ibid.*
- 207 *Ibid.*
- 208 *Ibid.*
- 209 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 210 *Ibid.*
- 211 *Ibid.*
- 212 *Ibid.*
- 213 *Ibid.*

- 214 *Ibid.*
- 215 *Ibid.*
- 216 *Ibid.*
- 217 Cordlife. (2022). Sustainability Report 2022. Retrieved from https://cordlife.listedcompany.com/misc/sr2022/cordlifesr22final_highres.html
- 218 *Ibid.*
- 219 Cordlife. (2021). Sustainability Report 2021. Retrieved from <https://cordlife.listedcompany.com/misc/sr2021/index.html>
- 220 *Ibid.*
- 221 Cordlife. (2022). Sustainability Report 2022. Retrieved from https://cordlife.listedcompany.com/misc/sr2022/cordlifesr22final_highres.html
- 222 *Ibid.*
- 223 Cordlife. (2021). Sustainability Report 2021. Retrieved from <https://cordlife.listedcompany.com/misc/sr2021/index.html>
- 224 *Ibid.*
- 225 *Ibid.*
- 226 Cordlife. (2022). Annual Report 2022. Retrieved from <https://cordlife.listedcompany.com/misc/ar2022/index.html>
- 227 *Ibid.*
- 228 *Ibid.*
- 229 *Ibid.*
- 230 *Ibid.*
- 231 Cordlife. (2022). Sustainability Report 2022. Retrieved from https://cordlife.listedcompany.com/misc/sr2022/cordlifesr22final_highres.html
- 232 *Ibid.*
- 233 *Ibid.*
- 234 Lee, L. Y. (2023, November 30). Cordlife Group found to have damaged CBUs of at least 2,150 customers. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/cordlife-group-found-to-have-damaged-cord-blood-units-of-at-least-2150-customers>
- 235 Lee, L. Y. (2023, December 27). How Singapore cord blood firms ensure safe storage. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/how-singapore-cord-blood-firms-ensure-safe-storage>
- 236 *Ibid.*
- 237 Channel NewsAsia. (2024, January 26). Test results determining impact of Cordlife's mishandled CBUs likely to be ready by end-March. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-units-investigation-viability-test-results-end-march-moh-4077201>
- 238 Ministry of Health. (2023, November 30). Investigation of Cordlife Group Limited for Suboptimal Storage Temperature for Cryopreserved Cord Blood. Retrieved from <https://www.moh.gov.sg/news-highlights/details/investigation-of-cordlife-group-limited-for-suboptimal-storage-temperature-for-cryopreserved-cord-blood>
- 239 *Ibid.*
- 240 *Ibid.*
- 241 Cordlife Group Limited. (2023, December 10). Replies to Queries from the Singapore Exchange Securities Trading Limited. Retrieved from <https://links.sgx.com/FileOpen/CGL%20-%20Announcement%20-%20Response%20to%20SGX%20Query.ashx?App=Announcement&FileID=780385>
- 242 *Ibid.*
- 243 *Ibid.*
- 244 Channel NewsAsia. (2023, December 11). Cordlife's board knew of irregular temperatures in February; deemed to have 'no material impact' on financials. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-cord-blood-bank-tank-irregular-temperature-exposure-sgx-3979506>
- 245 *Ibid.*

246 *Ibid.*

247 Cordlife Group Limited. (2024, April 8). Update on testing results for tanks under investigation. Retrieved from https://cordlife.listedcompany.com/newsroom/20240408_183755_P8A_4CAK5SPWEQCOP1NU.1.pdf

248 *Ibid.*

249 *Ibid.*

250 *Ibid.*

251 *Ibid.*

252 *Ibid.*

253 *Ibid.*

254 *Ibid.*

255 *Ibid.*

256 Zhao, Y. (2024, February 29). Cordlife chairman Joseph Wong steps down, claims 'personal reasons'. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cordlife-chairman-joseph--steps-down-claims-personal-reasons>

257 *Ibid.*

258 Cordlife. (n.d.). Change - Announcement of Cessation :: Resignation of Executive Director and Group CEO. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2463725>

259 SGX Group. (2024, February 19). Change – Announcement of Appointment: Appointment of Group CEO. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/WOKLJ9HSHGDXBZSX/cf28eb8892c8c1570d54812e644d84f9872d1411c8ad941a1dbf1f629c9d8431>

260 *Ibid.*

261 SGX Group. (2024, February 29) Further Update To Announcement On Appointment Of Mr Yiu Pang Fai As Group Chief Executive Officer And Response To Media Article. Retrieved from https://cordlife.listedcompany.com/newsroom/20240229_223902_P8A_DNMVDT5XODX2GOR2.1.pdf

262 *Ibid.*

263 *Ibid.*

264 *Ibid.*

265 Cordlife Group Limited. (2024, February 19). Appointment of Mr Yiu Pang Fai as Group Chief Executive Officer and Further Update to Announcement on Cessation of Ms Tan Poh Lan as Executive Director and Group Chief Executive Officer. Retrieved from https://cordlife.listedcompany.com/newsroom/20240219_211458_P8A_AI5P0HG7FBJG7WUD.1.pdf

266 *Ibid.*

267 *Ibid.*

268 *Ibid.*

269 *Ibid.*

270 Mak, Y. T. (n.d.). *LinkedIn*. Retrieved from https://www.Linkedin.com/posts/yuen-teen-mak-88b34a15_cordlife-needs-a-fresh-start-amid-its-ongoing-activity-7168022764879040513-IVQI/?utm_source=share&utm_medium=member_desktop

271 Elangovan, N. (2024, Feb 27). Cordlife needs a fresh start amid its ongoing scandal, not 'old blood' in a new bottle. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/opinion-features/columns/cordlife-needs-a-fresh-start-amid-its-ongoing-scandal-not-old-blood-in-a-new-bottle>

272 Mak, Y. T. (n.d.). *LinkedIn*. Retrieved from https://www.Linkedin.com/posts/yuen-teen-mak-88b34a15_cordlife-needs-a-fresh-start-amid-its-ongoing-activity-7168022764879040513-IVQI/?utm_source=share&utm_medium=member_desktop

273 Oh, T. (2024, March 22). Cordlife new CEO to focus on introducing 'stringent measures' to enhance operational standards. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cordlife-new-ceo-focus-introducing-stringent-measures-enhance-operational-standards>

274 Cordlife. (2024, March 21). Receipt of Requisition Notices and Further Extension of Trading Halt. Retrieved from https://cordlife.listedcompany.com/newsroom/20240321_092710_P8A_M10A3ZJ2K7A8VLWI.1.pdf

275 *Ibid.*

276 *Ibid.*

277 Channel NewsAsia. (2024, March 22). Cordlife probe: Former Group CEO and four board members arrested. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-directors-arrested-former-group-ceo-mishandling-blood-cord-units-4213591>

278 Rahim, N. (2024, March 22). Former Cordlife CEO Tan Poh Lan and four board members arrested for potential breaches in cord blood disclosure. *Yahoo*. Retrieved from <https://sg.news.yahoo.com/former-cordlife-ceo-tan-poh-lan-four-board-members-arrested-potential-breaches-cord-blood-disclosure-053952738.html>

279 *Ibid.*

280 Cordlife. (2024, March 22). Investigations by the Commercial Affairs Department. Retrieved from https://cordlife.listedcompany.com/newsroom/20240322_010630_P8A_TFJ8RVJSZMC6NO3H.1.pdf

281 *Ibid.*

282 Cordlife. (2024, March 24). Update on Requisition Notices. Retrieved from https://cordlife.listedcompany.com/newsroom/20240324_234612_P8A_9SJGNQCVHSN962IG.1.pdf

283 Cordlife. (2024, March 27). Receipt Of Third Requisition Notice. Retrieved from https://cordlife.listedcompany.com/newsroom/20240327_082604_P8A_HXK05TGN8OFOLN7H.1.pdf

284 Channel NewsAsia. (2024, March 27). Cordlife probe: Chief financial officer arrested and released on bail. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-probe-cfo-thet-hnin-yi-arrested-police-released-bail-4224931>

285 Cordlife. (2024, April 4). Updates On Requisition Notices. Retrieved from https://cordlife.listedcompany.com/newsroom/20240404_001754_P8A_PW9N271EXW9H0VQV.1.pdf

286 *Ibid.*

287 *Ibid.*

288 Lee, L. Y. (2024, April 5). Another Cordlife director arrested, the seventh in string of arrests. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/another-cordlife-director-arrested-the-seventh-in-string-of-arrests>

289 Cordlife Group Limited. (2024, April 5). Update on investigations by the Commercial Affairs Department. Retrieved from https://cordlife.listedcompany.com/newsroom/20240405_171830_P8A_JW165AALW4DMESNW.1.pdf

290 Cordlife Group Limited. (2024, April 17). Proposed placement of up to 51,195,478 new ordinary shares in the capital of the company at an issue price of S\$0.16 per share. Retrieved from https://cordlife.listedcompany.com/newsroom/20240417_084023_P8A_W6FM9J2G044Z4XIN.1.pdf

291 *Ibid.*

292 *Ibid.*

293 *Ibid.*

294 *Ibid.*

295 Cordlife Group Limited. (2024, April 22). High Court injunction application and interim injunction in relation to the proposed subscription. Retrieved from https://cordlife.listedcompany.com/newsroom/20240422_074318_P8A_WGU7IAS7EOITO41Q.1.pdf

296 *Ibid.*

297 Cordlife Group Limited. (2024, May 13). Further update on interim injunction in relation to the proposed subscription. Retrieved from https://cordlife.listedcompany.com/newsroom/20240513_064418_P8A_P11G54T8RV69D2WN.1.pdf

298 Cordlife Group Limited. (2024, May 23). Termination of the subscription agreements. Retrieved from https://cordlife.listedcompany.com/newsroom/20240523_195541_P8A_ORPDH4ZVJBF81JDL.1.pdf

299 Cordlife Group Limited. (2024, May 19). Update on investigations by the Commercial Affairs Departments. Retrieved from https://cordlife.listedcompany.com/newsroom/20240519_213101_P8A_MNZZ6VY6E5EQ831Y.1.pdf

300 Lee, L. Y. (2024, May 14). Cordlife shareholders vote for fresh board of directors; co-founder among those ousted. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/cordlife-shareholders-vote-for-fresh-board-of-directors-co-founder-among-those-ousted>

301 Cordlife Group Limited. (2024, April 29). Notice of AGM. Retrieved from https://cordlife.listedcompany.com/newsroom/20240429_072429_P8A_G60N4UYU34HG1TKX.1.pdf

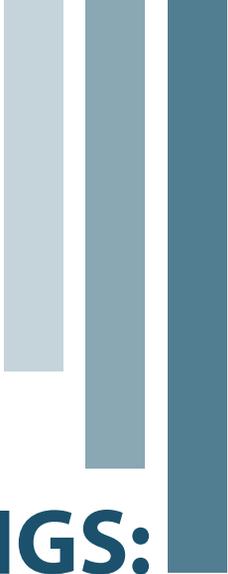
302 Cordlife Group Limited. (2024, May 15). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2494239>

- 303 Cordlife Group Limited. (2024, May 15). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2494240>
- 304 *Ibid.*
- 305 Cordlife Group Limited. (2024, May 15). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2494238>
- 306 Cordlife Group Limited. (2024, April 30). Change – Announcement of Cessation :: Retirement of Independent Non-Executive Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2491140>
- 307 Cordlife Group Limited. (2024, May 14). Minutes of the Annual General Meeting held on 14 May 2024. Retrieved from https://cordlife.listedcompany.com/newsroom/20240618_081330_P8A_XQL5A3UIWI9I638I.1.pdf
- 308 Mak, Y. T. (n.d.). LinkedIn. Retrieved from https://www.linkedin.com/posts/yuen-teen-mak-88b34a15_cordlife-shareholders-vote-to-remove-three-activity-7196087481543401472-EfwH
- 309 Cordlife Group Limited. (2024, May 13). Receipt of notice from the Ministry of Health on the requirements of the Healthcare Services Act 2020 in relation to the potential change(s) in the composition of Cordlife's board of directors. Retrieved from https://cordlife.listedcompany.com/newsroom/20240513_064518_P8A_YU4CU3DN660ITSTY.1.pdf
- 310 *Ibid.*
- 311 *Ibid.*
- 312 *Ibid.*
- 313 Zhu, M. (2024, June 25). Impact of Cordlife's extended suspension being closely monitored: Nanjing Xinjiekou. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/impact-of-cordlife-s-extended-suspension-being-closely-monitored-nanjing-xinjiekou>
- 314 Cordlife Group Limited. (2024, May 15). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2494239>
- 315 Cordlife Group Limited. (2024, May 15). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2494240>
- 316 Cordlife Group Limited. (2024, May 15). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2494238>
- 317 Cordlife Group Limited. (2024, May 24). Changes to the composition of board and the board committees. Retrieved from https://cordlife.listedcompany.com/newsroom/20240524_172621_P8A_KT59YPRM76CZJ7BW.1.pdf
- 318 Cordlife Group Limited. (2024, May 24). Changes to the composition of board and the board committees. Retrieved from https://cordlife.listedcompany.com/newsroom/20240524_172621_P8A_KT59YPRM76CZJ7BW.1.pdf
- 319 Cordlife Group Limited. (2024, May 24). Changes to the composition of board and the board committees. Retrieved from https://cordlife.listedcompany.com/newsroom/20240524_172621_P8A_KT59YPRM76CZJ7BW.1.pdf
- 320 Cordlife Group Limited. (2024, July 23). Update on investigations by the Commercial Affairs Department. Retrieved from https://cordlife.listedcompany.com/newsroom/20240723_175248_P8A_IKDHCBOF1I77RK1N.1.pdf
- 321 Cordlife Group Limited. (2024, July 29). Update on investigations by the Commercial Affairs Department. Retrieved from https://cordlife.listedcompany.com/newsroom/20240729_185211_P8A_18H7SWBFNA6Y5X.1.pdf
- 322 Abdullah, Z. (2024, November 11). Can affected Cordlife clients get compensation? *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/health/can-affected-cordlife-clients-get-compensation>
- 323 Ganesan, N., & Koh, W. T. (2024, April 11). 'Paying for nothing': Parents affected by Cordlife mishandling unhappy with refunds offered. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-refunds-parents-investigation-cord-blood-units-4253131>
- 324 Devi, U. (2024, April 8). Cordlife says another 5,300 cord blood units deemed to be at high risk, offers refund and fee waiver. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/cordlife-says-another-5-300-cord-blood-units-deemed-be-high-risk-offers-refund-and-fee-waiver>
- 325 *Ibid.*
- 326 Loh, R. (2023, December 8). Cordlife's affected clients have grounds for legal recourse but compensation may be limited based on contract, say lawyers. *Today Online*. Retrieved from <https://www.todayonline.com/singapore/cordlife-cord-blood-legal-recourse-compensation-contract-lawyer-2317606>

- 327 *Ibid.*
- 328 *Ibid.*
- 329 *Ibid.*
- 330 *Ibid.*
- 331 *Ibid.*
- 332 Cordlife Group Limited. (2024, May 2). Receipt of letter of demand. Retrieved from https://cordlife.listedcompany.com/newsroom/20240502_075239_P8A_LRH19VVEHLHJXTHU.1.pdf
- 333 Cordlife Group Limited. (2024, August 15). Update on claim against the company. Retrived from https://cordlife.listedcompany.com/newsroom/20240815_210404_P8A_A4WU6Z8LARV4K8Q8.1.pdf
- 334 Cordlife Group Limited. (2024, May 2). Receipt of letter of demand. Retrieved from https://cordlife.listedcompany.com/newsroom/20240502_075239_P8A_LRH19VVEHLHJXTHU.1.pdf
- 335 Tham, A. (2024, May 2). Cordlife clients launch legal action; first letter of demand sent. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/singapore/cordlife-legal-action-cord-blood-letter-demand-4307636>
- 336 Cordlife Group Limited. (2025, April 1). Letters of demand received by the company. Retrieved from https://cordlife.listedcompany.com/newsroom/20250401_075628_P8A_C6MVUDDRPA5HZY5Q.1.pdf
- 337 *Ibid.*
- 338 Cordlife Group Limited. (2025, June 6). Business update. Retrieved from https://cordlife.listedcompany.com/newsroom/20250606_002331_P8A_3DXOIU314B0QE98T.1.pdf
- 339 Lee, L. Y. (2024, March 23). Cordlife to strengthen operating protocols to have suspension lifted: Group CEO. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/cordlife-to-implement-new-sops-to-have-six-month-suspension-lifted-group-ceo>
- 340 *Ibid.*
- 341 Cordlife Group Limited. (2024, May 28). Receipt of further notice from the Ministry of Health and update on human tissue banking and clinical laboratory service licenses. Retrieved from https://cordlife.listedcompany.com/newsroom/20240528_122900_P8A_Y4FXPDIXA47FE3F9.1.pdf
- 342 *Ibid.*
- 343 Cordlife Group Limited. (2024, August 15). Receipt of notice from the Association for the Advancement of Blood Biotherapies. Retrieved from https://cordlife.listedcompany.com/newsroom/20240815_210441_P8A_ZDGPJU5CXDQS2SSF.1.pdf
- 344 Cordlife Group Limited. (2024, September 6). Update of third notice from the Ministry of Health. Retrieved from https://cordlife.listedcompany.com/newsroom/20240906_200552_P8A_C07NTE29AYBWF0M.1.pdf
- 345 *Ibid.*
- 346 Cordlife Group Limited. (2025, March 1). Cordlife records FY2024 revenue of S\$27.8 million; fully resumed Singapore operations since 14 January 2025. Retrieved from <http://ir.listedcompany.com/tracker.pl?type=6&id=2539876>
- 347 Cordlife Group Limited. (2025, January 14). Holding announcement – renewal of licences. Retrieved from https://cordlife.listedcompany.com/newsroom/20250114_231422_P8A_GSDK2O57JJ2SW4OV.1.pdf
- 348 Cordlife Group Limited. (2024, November 14). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2519098>
- 349 Cordlife Group Limited. (2024, November 14). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2519100>
- 350 Cordlife Group Limited. (2024, November 14). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2519099>
- 351 Cordlife Group Limited. (2024, November 14). Change – Announcement of Cessation :: Cessation of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2519101>
- 352 Cordlife Group Limited. (2024, November 14). Changes to the composition of board and the board committees. Retrieved from https://cordlife.listedcompany.com/newsroom/20241114_233706_P8A_2YF34C9RL8EDTOI2.1.pdf
- 353 Cordlife Group Limited. (2024, November 14). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2519098>

- 354 Cordlife Group Limited. (2024, November 14). Changes to the composition of board and the board committees. Retrieved from https://cordlife.listedcompany.com/newsroom/20241114_233706_P8A_2YF34C9RL8EDTOI2.1.pdf
- 355 Cordlife Group Limited. (2024, November 14). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2519100>
- 356 Cordlife Group Limited. (2024, November 14). Changes to the composition of board and the board committees. Retrieved from https://cordlife.listedcompany.com/newsroom/20241114_233706_P8A_2YF34C9RL8EDTOI2.1.pdf
- 357 Cordlife Group Limited. (2024, November 14). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2519099>
- 358 Cordlife Group Limited. (2025, January 8). Change – Announcement of Cessation :: Resignation of Chairman of the Board. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2526495>
- 359 Cordlife Group Limited. (2025, January 8). Change – Announcement of Appointment :: Re-designation of Non-Independent Non-Executive Director to Non-Independent Non-Executive Chairman. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2526496>
- 360 *Ibid.*
- 361 Cordlife Group Limited. (2024, February 19). Appointment of Mr Yiu Pang Fai as Group Chief Executive Officer and Further Update to Announcement on Cessation of Ms Tan Poh Lan as Executive Director and Group Chief Executive Officer. Retrieved from https://cordlife.listedcompany.com/newsroom/20240219_211458_P8A_AI5P0HG7FBJG7WUD.
- 362 Cordlife Group Limited. (2025, June 6). Response to Questions received from Shareholders and SIAS for the Annual General Meeting. Retrieved from https://cordlife.listedcompany.com/newsroom/20250606_002259_P8A_51O6DO2YXIE5E9HD.1.pdf
- 363 Soh, T. (2025, February 13). Cordlife group CEO Ivan Yiu resigns after a year in role, search for replacement ongoing. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/cordlife-group-ceo-ivan-yiu-resigns-search-for-replacement-ongoing>
- 364 Cordlife Group Limited. (2025, February 19). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2536418>
- 365 Cordlife Group Limited. (2025, February 19). Change – Announcement of Cessation :: Cessation of Independent Director. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2536419>
- 366 Cordlife. (n.d.). Investor Relations: Board of Directors. Retrieved from <https://cordlife.listedcompany.com/directors.html>
- 367 *Ibid.*
- 368 Cordlife Group Limited. (2025, February 19). Changes to the composition of board and the board committees. Retrieved from https://cordlife.listedcompany.com/newsroom/20250219_173700_P8A_38FN742VKZNVNU4X.1.pdf
- 369 *Ibid.*
- 370 Cordlife Group Limited. (2025, June 6). Response to Questions received from Shareholders and SIAS for the Annual General Meeting. Retrieved from https://cordlife.listedcompany.com/newsroom/20250606_002259_P8A_51O6DO2YXIE5E9HD.1.pdf
- 371 Cordlife Group Limited. (2025, June 6). Change – Announcement of Appointment :: Appointment of Ms. Chen Xiaoling as Group Chief Executive Officer (“CEO”) and Singapore CEO. Retrieved from <https://cordlife.listedcompany.com/news.html/id/2556273>
- 372 Cordlife Group Limited. (2024, March 24). Update on requisition notices. Retrieved from https://cordlife.listedcompany.com/newsroom/20240324_234612_P8A_9SJGNQCVHSN962IG.1.pdf
- 373 *Ibid.*
- 374 Cordlife Group Limited. (2024, April 24). Update on third letter from SAC Capital Private Limited. Retrieved from https://cordlife.listedcompany.com/newsroom/20240424_215924_P8A_J6IYH3YRSQEBN6H7.1.pdf
- 375 *Ibid.*
- 376 Cordlife Group Limited. (2024, May 24). Update on fourth letter from SAC Capital Private Limited. Retrieved from https://cordlife.listedcompany.com/newsroom/20240524_184318_P8A_3HZYURFRMD2T2BO6.1.pdf
- 377 Cordlife Group Limited. (2024, June 25). Update on fifth letter from SAC Capital Private Limited. Retrieved from https://cordlife.listedcompany.com/newsroom/20240625_071056_P8A_3ODAYBFWWXYJURAG.1.pdf
- 378 Cordlife Group Limited. (2024, July 24). Update on sixth letter from SAC Capital Private Limited. Retrieved from https://cordlife.listedcompany.com/newsroom/20240724_120608_P8A_9O39LTPSWIEXJ5IQ.1.pdf

- 379 Cordlife Group Limited. (2024, August 26). Update on seventh letter from SAC Capital Private Limited. Retrieved from https://cordlife.listedcompany.com/newsroom/20240826_220158_P8A_MFUJ7NVFTW8VNAOX.1.pdf
- 380 Medeze. (2025, May 13). Southeast Asian stem cell leader Medeze launches voluntary conditional cash partial offer for 10% stake in SGX-listed Cordlife Group Limited. Retrieved from <http://ir.listedcompany.com/tracker.pl?type=6&id=2551920>.
- 381 *Ibid.*
- 382 *Ibid.*
- 383 *Ibid.*
- 384 Medeze Treasury Pte. Ltd. (2025, May 26). Clarification announcement. Retrieved from https://cordlife.listedcompany.com/newsroom/20250526_224600_P8A_ZJCMQCW8T201C7K2.1.pdf
- 385 Medeze. (2025, May 13). Southeast Asian stem cell leader Medeze launches voluntary conditional cash partial offer for 10% stake in SGX-listed Cordlife Group Limited. Retrieved from <http://ir.listedcompany.com/tracker.pl?type=6&id=2551920>.
- 386 *Ibid.*
- 387 *Ibid.*
- 388 Medeze Treasury Pte. Ltd. (2025, May 28). Notification of the despatch of offer document and related documents. Retrieved from https://cordlife.listedcompany.com/newsroom/20250528_074155_P8A_VVJW07QFPOA9LK93.1.pdf
- 389 Cordlife Group Limited. (2025, May 29). Voluntary conditional cash partial offer by PrimePartners Corporate Finance Pte. Ltd. for and on behalf of Medeze Treasury Pte. Ltd. for Cordlife Group Limited: Appointment of independent financial adviser. Retrieved from https://cordlife.listedcompany.com/newsroom/20250529_204409_P8A_YNCCXG84J59NJED6.1.pdf
- 390 Cordlife Group Limited. (2025, March 1). Cordlife records FY2024 revenue of S\$27.8 million; fully resumed Singapore operations since 14 January 2025. Retrieved from <http://ir.listedcompany.com/tracker.pl?type=6&id=2539876>
- 391 *Ibid.*
- 392 *Ibid.*
- 393 Cordlife Group Limited. (2025, June 6). Business Update. Retrieved from https://cordlife.listedcompany.com/newsroom/20250606_002331_P8A_3DXOIU314B0QE98T.1.pdf
- 394 *Ibid.*
- 395 *Ibid.*
- 396 Cordlife Group Limited. (2025, July 10). Announcement of Enhanced Package for Affected Customers. Retrieved from <https://links.sgx.com/FileOpen/CGL%20-%20Announcement%20of%20Enhanced%20Package%20for%20Affected%20Customers.ashx?App=Announcement&FileID=851542>
- 397 Cordlife Group Limited. (2025, August 14). Corrigendum on Announcement in Relation to Enhanced Package for Affected Customers. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/8W5OOQTYG5X2KGG/855991_Corrigendum%20on%20Announcement%20of%20Enhanced%20Package.pdf
- 398 Cordlife Group Limited. (2025, August 14). Update on Claims Against the Company. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/VQOBI2490350FDE4/855992_Updates%20on%20Claims%20against%20the%20Company.pdf
- 399 Cordlife Group Limited. (2025, June 25). Voluntary Conditional Partial Offer for Cordlife Group Limited. Retrieved from <https://links.sgx.com/FileOpen/Project%20Multiply%20-%20Close%20of%20Offer%20Announcement.ashx?App=Announcement&FileID=849855>
- 400 Cordlife Group Limited. (2025, July 3). Resignation of Mr Chow Wai Leong as a Non-Independent Non-Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/ER5BC8UVSIZPJS90/bf8ac51dcc0d8be8c7994777d11650cf361b9e67ec4e72632dd49c5cf0db8e1b>
- 401 Cordlife Group Limited. (2025, August 14). Change – Announcement of Cessation :: Cessation of Group Chief Financial Officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/OH2HV5WVNXZJTPHWE/658dad4e0bfc61ae16948df90a3a3c2056ae13bfe6287f7009331f81a4d54225>
- 402 *Ibid.*
- 403 Cordlife Group Limited. (2025, August 14). Change – Announcement of Appointment :: Appointment of Group Chief Financial Officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/IBF3Z8MDDJ63QTXD/1c911ef24c6c064f13e35d23c09c5becc4901b99216b0f295d512cbd91015f55>
- 404 *Ibid.*



YOMA STRATEGIC HOLDINGS: FALL FROM GRACE*

Case overview

Yoma Strategic Holdings Ltd (YSH), a company listed on the Singapore Exchange (SGX), has deep ties to Myanmar. The 2021 military coup in Myanmar and ensuing civil unrest disrupted the country's economic landscape, posing risks to YSH's diverse operations across various industries in that country.

YSH has also faced increasing scrutiny for alleged links to the Myanmar military junta, raising ethical and regulatory concerns. Allegations have also surfaced accusing its founder, Serge Pun, of financial misconduct, including money laundering, although according to YSH, they were in relation to his businesses outside the YSH group. In June 2024, Serge was questioned by the junta for alleged breaches of financial regulations, and he subsequently resigned from the company the following month. These developments, along with questions surrounding YSH's disclosures related to the investigation and compliance with SGX listing rules, prompted queries from the Singapore Exchange Regulation Company (SGX RegCo).

The objective of this case study is to facilitate discussion of the key corporate governance challenges of a family-controlled and family-managed listed company; board structure and composition; independent directors; non-executive director remuneration; disclosures; risk management; ethical issues arising from operating in a high-risk jurisdiction such as Myanmar; and SGX's role in enforcing compliance.

Strategic climb from humble beginnings

Yoma Strategic Holdings Ltd (YSH), a diversified investment holding company, headquartered in Yangon, Myanmar, was incorporated in Singapore on 20 October 1962.¹ It was listed on the Mainboard of the Singapore Exchange (SGX) in 2006 through a reverse takeover of Singapore-listed Sea View Hotel Limited² and operated in the hospitality sector. However, as Myanmar's economy evolved, so did the company's strategic direction. Under the leadership of founder Serge Pun (Serge), YSH emerged as one of the most influential business entities in Myanmar.³

* This case study was originally prepared by Gu Ruilin, Lim Jun Xiang Vince, Tan Wen Wei Megan, To Nok Yin Jasmine, Vanessa Tan Jing Wen. It has been edited by Tan De-Reng, under the supervision of Professor Mak Yuen Teen, with additional content added. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

In 2015, Melvyn Pun (Melvyn), son of founder Serge, was appointed as YSH's Chief Executive Officer (CEO) and executive director,⁴ after spending 12 years at Goldman Sachs in Hong Kong.⁵ Under Melvyn's leadership, YSH implemented diversification strategies and entered into partnerships that fuelled its further growth.⁶

YSH became a regional conglomerate with operations spanning Myanmar, Singapore, China⁷ and Thailand.⁸ The company operates through a network of subsidiaries and associate companies across its five core sectors, namely real estate, mobile financial services, leasing, food and beverages (F&B), motors and investments.⁹

For financial year ending 31 March 2024 (FY2024), YSH's total revenue saw a 78.6% increase year-on-year (YoY); its core Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) rose by 160.5% YoY; and its net profit reached US\$21.2 million, recovering from a US\$63.3 million loss in FY2023.¹⁰ This was coupled with a reduction in its net gearing ratio to 15.5%, down from 18.6% in FY2023 and 28.2% in FY2022.¹¹ However, for financial year ending 31 March 2025, revenue fell YoY by 7.1% even though it rose by 37.5% in Myanmar kyat (MMK) terms, due to a 48% depreciation of the MMK. Net profit in US dollar terms declined by 35.8%.¹² As of 1 August 2025, its market capitalisation was S\$208.8 million.¹³

Myanmar remains YSH's primary market, where it has built a diversified business portfolio.¹⁴ Yoma Land, YSH's core subsidiary in Myanmar and its real estate arm, oversees large-scale property developments.¹⁵ In FY2024, Yoma Land was YSH's largest revenue contributor, with its revenue more than doubling YoY,¹⁶ accounting for 50% of YSH's total revenue.¹⁷ It continued to account for more than 50% of Yoma's total revenue in FY2025.¹⁸ Another flagship subsidiary is Wave Money, a major provider of mobile financial services in Myanmar, offering e-wallet solutions, remittances, and mobile payments to millions of users.¹⁹ As Myanmar increasingly shifts towards cashless transactions,²⁰ Wave Money maintains a presence in digital transformation and financial inclusion, covering 90% of the country's geographical area.²¹ In FY2024, Wave Money recorded a 165.9% YoY increase in revenue,²² making it YSH's second-largest revenue contributor.²³ Additionally, Yoma F&B, another key subsidiary focusing on the F&B sector in Myanmar, continues to be one of the country's major restaurant operators,²⁴ with its revenue increasing by 30.1% YoY in FY2024.²⁵ However, for FY2025, Yoma F&B became the second largest contributor in US dollar revenues, while Wave Money dropped to third.²⁶

Ownership dynamics

As of 23 June 2025, YSH's shareholding structure comprises approximately 46.8% of issued shares held by three substantial shareholders, with 46.3% held by the public.²⁷ The largest shareholder is founder Serge, who held a total of 26.36% of the issued shares, through both direct and deemed interests.²⁸ Ayala Corporation, a leading Philippines conglomerate, along with its affiliates, collectively held 13.92% of YSH's shares.²⁹ This investment aligns with Ayala's strategy to expand its presence in Southeast Asia's emerging markets.³⁰ Additionally, Kopernik Global Investors, LLC, an investment advisory firm, held a 6.56% deemed interest in the company's shares.³¹ Rather than direct ownership, Kopernik exercises discretionary control and has disposal rights over these shares.³²

Accolades

YSH has received multiple accolades over the years, ranking among the top five percent of SGX-listed companies in the Singapore Governance & Transparency Index (SGTI) from 2017 to 2022.³³ However, it was not ranked in 2023.³⁴ In 2024, it was ranked 32nd out of 477 companies under the General Category,³⁵ and in 2025, 34th out of 467 companies.³⁶

Additionally, it was recognised as an SGX Fast Track company in 2018,³⁷ a designation granted to firms with strong governance and compliance records, allowing for expedited regulatory processes.³⁸ However, it is no longer on the SGX Fast Track.³⁹ The company was also commended for its investor relations and corporate reporting, receiving the Best Investor Relations Award (Silver) in 2023 and the Best Annual Report Award (Silver) in 2022 under the Singapore Corporate Awards, both within the small-cap company category.⁴⁰

Serge Pun's journey: From exile to entrepreneur

Serge (also known as U Theim Wai) was born in 1953 in Yangon, Myanmar.⁴¹ He is one of Myanmar's most prominent businessmen.⁴² His formative years were shaped by political and economic turmoil as Myanmar transitioned from a democratic government to military rule.⁴³ At the age of 12, his family fled the country, and he moved to Beijing, China, before later settling in Hong Kong in his late teens.⁴⁴

He began his career in sales before transitioning into real estate in the 1970s, securing a role at a Hong Kong-based real estate firm with the support of German real estate broker and entrepreneur Elmar Busch.⁴⁵ Despite having no formal university education,⁴⁶ he gained extensive experience in property investment and development, as well as in finance and property management.⁴⁷ By the early 1980s, he had developed a solid foundation in Hong Kong's real estate market through his 10 years of experience.⁴⁸

In 1983, Serge founded Serge Pun & Associates (SPA Group) in Hong Kong,⁴⁹ initially focusing on investment and real estate development. When Myanmar's military regime began opening the economy to foreign investment in 1988,⁵⁰ he recognised an opportunity to expand into his home country. In 1991, he returned and established Serge Pun & Associates (Myanmar) Ltd.,⁵¹ local arm of the SPA Group. This laid the foundation for his growing business ventures and facilitated large-scale projects and international partnerships.

Ascent of a business empire

With Myanmar's economic liberalisation underway, Serge rapidly expanded his investments across multiple industries. In 1992, he founded FMI, one of Myanmar's first public companies and a subsidiary of SPA Group.⁵² As an investment holding company, FMI focuses on key sectors such as financial services, real estate, healthcare, and tourism, while also maintaining a portfolio of strategic investments across these industries.⁵³ In 2016, FMI became the first company to be listed on the Yangon Stock Exchange (YSX), marking a significant milestone in Myanmar's corporate history.⁵⁴

Under FMI, Serge established Yoma Bank in 1993, one of Myanmar's first private banks.⁵⁵ Yoma Bank introduced a comprehensive suite of financial services, facilitating both local and international business operations.⁵⁶ By the early 2000s, Yoma Bank had emerged as a dominant financial institution in Myanmar, managing billions in deposits and playing a critical role in Myanmar's banking sector.⁵⁷

Seeking to expand his business internationally, Serge incorporated Yoma Strategic Investments Limited in Singapore in 2004 under SPA Group.⁵⁸ In 2006, the company took over the publicly-listed Sea View Hotel Limited through a reverse takeover.⁵⁹ This allowed Serge's business to gain a SGX listing in the same year,⁶⁰ while Sea View Hotel was rebranded as Yoma Strategic Holdings Limited, marking its transformation into a diversified investment holding company.⁶¹

"Serge"-ing beyond Yoma

Beyond Yoma Group, Serge has built a diverse business portfolio across multiple industries. Notably, he co-founded JJ-Pun, a 50-50 joint venture between SPA Group and Jebsen & Jessen (SEA), operating in Myanmar's manufacturing, engineering, and distribution sectors.⁶² Serge also held directorships in JJ-Pun (S) Private Limited and CLW Development Limited,⁶³ further broadening his business reach. Additionally, he served as vice-chairman of MTSH, a public company involved in Myanmar's first Special Economic Zone, a cooperative project between Myanmar and Japan to develop an industrial park.⁶⁴ Serge was also instrumental in the establishment and leadership of Memories Group, a tourism-focused enterprise, where he served as the Executive Chairman.⁶⁵

Through these strategic ventures and his ability to identify and capitalise on emerging opportunities, Serge established himself as a leading figure in Myanmar's economic landscape. However, his close ties to the military government have subjected him to public scrutiny.

The junta's favourite man?

In November 2022, Serge was awarded the honorary title of Thiri Pyanchi by the Myanmar military junta for his “outstanding contributions to the Union of Myanmar”.⁶⁶ Some critics viewed Serge’s acceptance of the award as a sign of alignment with a regime accused of serious human rights abuses.⁶⁷ Neither Serge nor YSH addressed the award publicly.

In July 2023, Serge faced backlash after a leaked video clip showed him expressing relief that Myanmar’s anti-regime armed resistance groups were not fighting in Naypyitaw and that he believed they had no plans to do so.⁶⁸ His comments were seen as aligning with business elites who benefit from the junta’s rule, especially given Naypyitaw’s role as a key economic and political hub where many of his corporate interests are based.⁶⁹ Business figures perceived as supporting the junta have faced widespread public criticism.⁷⁰ Neither Serge nor YSH publicly addressed the video or the ensuing backlash.

Fall of the titan

On 9 July 2024, overseas reports said that Serge had been detained and placed under house arrest by the junta’s authorities.⁷¹ The junta had allegedly accused Serge of violating banking regulations, by issuing mortgages through Yoma Bank, a subsidiary under the SPA Group.⁷² The mortgages granted to Myanmar nationals for purchasing condominiums in Thailand were said to violate Myanmar’s foreign exchange and banking laws and exceeded the housing loan limits set by the Central Bank of Myanmar (CBM).⁷³

This was not the first time Serge had reportedly been questioned by the authorities. In early June 2024, Serge was said to be interrogated regarding Yoma Bank’s mortgage lending practices for Thai properties. Yoma Land had denied any involvement, stating that it only operated within Myanmar’s property market.⁷⁴ Yoma Land also clarified that the property roadshow it organised in Bangkok was specifically designed for Myanmar nationals living in Thailand who were interested in investing in real estate within Myanmar.⁷⁵

Yoma breaks silence

Following reports of Serge’s detention, YSH issued a statement clarifying that it had not been officially informed of any specific restrictions imposed on him, but confirmed that he was cooperating with the authorities.⁷⁶ YSH stated that the matter had no material impact on its financial performance, operations or businesses, which continued to be managed by CEO Melvyn and other senior executives.⁷⁷

Regarding the alleged investigation into Yoma Bank for exceeding the housing loan limits set by the CBM, YSH stated that the matter did not materially impact the group’s financials, and it had not been provided with any details from authorities.⁷⁸ YSH also reiterated that it is not involved in the banking sector in Myanmar, nor does it hold any shares in any Myanmar banks,⁷⁹ likely referencing the fact that Yoma Bank is a subsidiary of the SPA Group and not YSH.

End of an era

On 24 July 2024, Serge officially resigned from his position as Executive Chairman of YSH.⁸⁰ In a statement by YSH, the resignation was described as a mutual decision between Serge and the Board of Directors, made in the best interest of the company, its shareholders, employees and customers. The resignation was framed as part of the efforts to “accelerate leadership succession plans” within the organisation,⁸¹ and to allow Serge to focus on ongoing matters with Myanmar’s authorities concerning banking activities, while preserving the overall stability of the Yoma Group.⁸²

In tandem with his departure from YSH, Serge also relinquished leadership roles in 105 corporate entities.⁸³ These include key positions in SPA Group, First Myanmar Investment Public Company Limited (FMI), and

Myanmar Thilawa Special Economic Zone Holdings (MTSH),⁸⁴ marking a significant shift in the governance of his business network.

Storm after the exit

In August 2024, *The Irrawaddy* reported that the junta has officially charged Serge with money laundering and financial crimes.⁸⁵ In addition to these charges, he was also reportedly accused of misusing public funds and harming national interest by allegedly channelling criminal proceeds from online scam centres into the expansion of StarCity, a large-scale real estate project in Yangon Region's Thanlyin Township in August 2024.⁸⁶

In response, Serge and YSH categorically denied the allegations.⁸⁷ The company asserted that it had not been contacted by any authority for clarification and described the published reports as containing misleading information.⁸⁸ YSH further asserted that there were no ongoing investigations involving the group, its directors, executive officers, employers, or any of its subsidiaries.⁸⁹

The company also firmly rejected claims that illicit funds were used to finance the StarCity expansion, emphasising that the project had not required external funding in recent years.⁹⁰ YSH highlighted that StarCity had evolved into a self-sustaining community with a residential population exceeding 6,000 people, further supporting its claim of financial independence.⁹¹

Questions surrounding Serge's arrest⁹² cast uncertainty over YSH's future. The developments in Myanmar and Serge's arrest had a pronounced impact on market perception and investor confidence, resulting in significant volatility in YSH's stock price.⁹³ Prior to the military coup in Myanmar in February 2021, YSH's shares traded at approximately S\$0.275.⁹⁴ The coup triggered a sharp decline of its share price to about S\$0.20.⁹⁵ The share price continued to fall.⁹⁶ By April 2024, YSH's stock was trading below S\$0.04.⁹⁷ A brief recovery occurred in June 2024, when the share price surged by 30.9% to reach an intra-day high of S\$0.115, before closing at S\$0.11 on 11 June.⁹⁸ However, this rebound turned out to be temporary.

In July 2024, following reports that Serge was cooperating with Myanmar authorities, the stock experienced a record single-day drop of 28.47%, closing at approximately S\$0.10.⁹⁹ Renewed allegations that criminal proceeds from scam operations had been funnelled into StarCity caused YSH's share price to fall by 47% from its early July highs, briefly trading at S\$0.086 before closing at S\$0.092.¹⁰⁰

Myanmar: country full of risks

Since the 2021 military coup, economic instability persists in Myanmar. As of 2024, an estimated 40% of the population lives below the poverty line.¹⁰¹ Since 2020, Myanmar's gross domestic product (GDP) has contracted by 9%.¹⁰² The situation is anticipated to deteriorate further,¹⁰³ as continued political uncertainty and systemic dysfunction are expected to further dampen economic prospects, with institutions such as the World Bank projecting a renewed contraction in the fiscal year ended March 2025.¹⁰⁴

Operating in Myanmar's post-coup environment presents a multitude of challenges for companies such as YSH. The economic and regulatory landscape has been disrupted by erratic junta policies, slow growth, high inflation, and a significant outflow of skilled labour.¹⁰⁵ These conditions have led to project delays,¹⁰⁶ diminished investor confidence,¹⁰⁷ and increased business risks which forces firms to either adapt swiftly or risk operational collapse.

The junta's fiscal policies have further destabilised the macroeconomic environment. Military expenditure now comprises approximately 60% of the national budget, significantly reducing allocations to essential public services such as healthcare and education.¹⁰⁸ The regime has also directed domestic firms to suspend repayment of loans extended by international creditors, effectively instituting a state-mandated default on foreign debt.¹⁰⁹

Foreign exchange restrictions introduced by the Central Bank of Myanmar have exacerbated liquidity challenges. Specifically, the requirement for businesses to convert 35% of their foreign earnings into MMK has constrained access to hard currency,¹¹⁰ and may have forced YSH to delay payments to overseas suppliers and curbed its reinvestment capabilities. Further, corruption remains in junta-administered bureaucracies, where bribes are often required to obtain permits or circumvent arbitrary penalties.¹¹¹

YSH's operations in Myanmar are also disrupted by infrastructure deficiencies. Power disruptions occur daily, with Yangon residents experiencing rolling blackouts of around 10 hours which force them to rely on the costly alternative of diesel generators.¹¹² YSH also faces long delays when importing building materials due to logistical bottlenecks and junta-imposed trade restrictions.¹¹³ Furthermore, currency volatility due to rising inflation exacerbates these challenges by reducing profit margins as well as inflating costs for US dollar-denominated imports. Despite this, demand for real estate projects such as Yoma Land has increased as households attempted to hedge against the rising inflation and depreciating local currency. This served as an opportunity for YSH to capitalise on the demand for affordable housing.¹¹⁴

Construction delays worsened after the junta's 2024 conscription law triggered an exodus of skilled labour, with one Yangon-based construction firm reporting that more than half of its workforce had fled to avoid conscription.¹¹⁵ YSH's US\$300 million Yoma Land housing projects including StarCity, Pun Hlaing Estate and City Loft West, saw an increase in unrecognised revenue to US\$147.1 million,¹¹⁶ likely due to a slowdown in construction progress.¹¹⁷ Foreign investor confidence in development projects in Myanmar also decreased sharply, with key partners scaling back involvement. Notably, the Asian Development Bank (ADB) froze disbursements of funding for infrastructure projects in Myanmar, citing human rights violations tied to military collaborations.¹¹⁸

Profit and power

Despite YSH's significant contributions to Myanmar's economy, the company has faced repeated scrutiny over its alleged ties to the junta. Critics have argued that YSH's business activities in key industries such as finance and infrastructure have indirectly supported military-linked entities,¹¹⁹ raising concerns about corporate complicity with an authoritarian military regime. At this point, many of these criticisms remain as allegations and some relate to entities that are not part of YSH but to entities controlled by Serge.

Dialling into controversy

A major controversy emerged in March 2023 when Yoma Bank was alleged to have provided banking services and held over US\$10 million for Telecom International Myanmar Company Limited (Mytel).¹²⁰ Mytel is one of Myanmar's largest telecom operators, which is managed and partly owned by the Myanmar Economic Corporation (MEC), a conglomerate owned by the junta.¹²¹ Mytel reportedly played a crucial role in facilitating military communications as well as the surveillance of troops and the public.¹²²

Additionally, in February 2020, Yoma Bank was reported to have granted a MMK1.8 billion (US\$1.25 million)¹²³ loan to Pinnacle Asia, a company owned by Khin Thiri Thet Mon, the daughter of junta leader Min Aung Hlaing.¹²⁴ This loan funded the construction of towers for Mytel, which is projected to generate over US\$700 million for the junta over a decade, through its indirect ownership of Mytel.¹²⁵ Yoma Bank's ties with Mytel have drawn criticism from human rights groups such as Justice for Myanmar and likely contributed to the the International Finance Corporation (IFC) divesting its 4.55% equity stake from Yoma Bank on 12 December 2022.¹²⁶

“Mytel is a strategic resource of the illegal Myanmar military junta and the company aids and abets the junta's war crimes and crimes against humanity. By providing banking services to Mytel, Yoma Bank is supporting its international law violations”

– Yadanar Maung, spokesperson for Justice For Myanmar¹²⁷

Building on shaky ground

The Yoma Central project, led by YSH, is a US\$330 million mixed-use development in downtown Yangon which operates under a 32-year lease agreement with the junta-controlled Ministry of Transport and Communication.¹²⁸ Critics argue that the development could enrich the junta, which retains control over key economic sectors and infrastructure,¹²⁹ especially given the project's prime location in Myanmar's largest city.¹³⁰ Construction began in January 2017, and by November that year, YSH had signed contracts worth over US\$400 million with Bouygues Construction and Taisei Corporation to build YSH Central and The Peninsula Yangon Hotel.¹³¹ However, the project was suspended in June 2021 due to political and economic instability following the military's coup.¹³² The projects' resumption in 2024¹³³ reignited concerns about whether YSH is legitimising the junta's economic control despite the potential of ongoing human rights violations under the junta's rule.¹³⁴ Reportedly, the lease agreement involves annual payments of US\$60,000 and land-use premiums of US\$9 million directly to the junta.¹³⁵

Funding the force

In August 2023, Yoma Bank was also reported to have purchased over MMK10 billion (US\$4.75 million) in government bonds issued by the junta.¹³⁶ This move was perceived as an endorsement of the junta's legitimacy, providing financial support despite global condemnation and sanctions following the coup.¹³⁷ Yoma Bank did not respond when approached to comment on its participation in the junta's bond offerings.¹³⁸

Questionable banking transactions

In November 2022, leaked financial records revealed that Yoma Bank had over 200 transactions with Innwa bank, a financial institution wholly-owned by the junta-controlled MEC.¹³⁹ These transactions occurred mostly after the 2021 coup and involved junta-affiliated companies, such as Best Oil Company, Pinnacle Asia and Meditech,¹⁴⁰ raising concerns about Yoma Bank's financial engagements with military-affiliated entities.¹⁴¹ Yoma Bank did not publicly address these revelations.¹⁴²

Clearing forests, compromising ethics

Yoma Land has been developing housing projects across Myanmar to meet growing demand.¹⁴³ These developments rely heavily on construction materials sourced from junta-controlled quarries and timber suppliers that contribute to environmental degradation. Since 2021, the junta has used natural resource extraction to fund its operations, with allegations that illegal logging in the Pegu Yoma region has accelerated deforestation and led to a loss of approximately 19% of the country's forests.¹⁴⁴ As a result, YSH's business operations risk indirectly financing junta-linked abuses.

The price of staying put

As of 2024, militant groups resisting the junta's rule have seized control of over 40% of Myanmar, including key trade routes.¹⁴⁵ The Arakan Army now controls most of the Rakhine State, a large region in Western Myanmar, including the junta's Western Regional Command headquarters. This development was likely to have disrupted YSH's supply chains, especially since the Sittwe deep-sea port, a critical node for importing construction equipment, is located in the Rakhine State.¹⁴⁶ Prospects for de-escalation remain bleak as the junta has escalated airstrikes, defying calls from groups such as the Arakan Army to halt airstrikes as a precondition for dialogue.¹⁴⁷ By 2024, the junta's airstrikes on civilian infrastructure have surged to 24 times the number recorded in 2021, causing widespread displacement, civilian fatalities, and destruction.¹⁴⁸ These conditions make business operations in Myanmar increasingly untenable.

Sanctioned and scrutinised

YSH's operations have come under growing pressure as Western governments imposed sanctions in response to the 2021 military coup, aiming to restrict the junta's financial resources and address human rights abuses.¹⁴⁹ The European Union has imposed coordinated restrictive measures, including asset freezes targeting 106 individuals and 22 entities, travel bans on military leaders, and arms embargoes prohibiting the sale of dual-use goods and telecommunications equipment that can be used for repression.¹⁵⁰ The United States, United Kingdom, and Canada have imposed similar sanctions.¹⁵¹

Shareholder activism has also intensified, with the IFC's divestment from Yoma Bank over its links with Mytel,¹⁵² and other Yoma Bank shareholders, such as Norway's Norfund and the Singapore-backed GIC facing domestic pressure to divest.¹⁵³ In response, Norfund stated that Yoma Bank would begin by incorporating the United Nations (UN) Fact-Finding Mission report into its background checks.¹⁵⁴ Nonetheless, distancing from junta-linked entities remains challenging, given its deep entrenchment in Myanmar's society and businesses.¹⁵⁵

The Kyat-astrophe in Myanmar

Since the 2021 military coup, the Myanmar currency, MMK, has suffered a sharp decline from USD/MMK 1,300 to over USD/MMK 7,000.¹⁵⁶ The junta's monetary policies, including printing three trillion kyat notes in a single week to address liquidity shortages, accelerated the currency's freefall and eroded purchasing power among citizens.¹⁵⁷ The rapid depreciation, coupled with strict foreign exchange controls, has pushed up the prices of imported goods such as household essentials, and forced reliance on extremely volatile black-market exchange rates.¹⁵⁸ In the six months up to March 2024, exports declined by 13%, while imports dropped by 20% compared to the same period in the previous year.¹⁵⁹ The World Bank estimates that Myanmar's economy remains 10% below pre-pandemic levels, and manufacturing output has halved as a result of power outages, supply chain disruptions, and labour flight.¹⁶⁰

Financial challenges

For the six months ended 30 September 2024, YSH reported a 14.7% decline in revenue, from US\$111.60 million in the same period in 2023 to US\$95.21 million.¹⁶¹ Foreign exchange scarcity further exacerbated financial instability, restricting access to hard currency and complicating international transactions.¹⁶² Alongside fire sales of investment properties and reduced cash and bank balances, YSH's net loss attributable to equity holders increased to US\$11.04 million, with total assets decreasing by 4.7% from US\$1,157.42 million as of 31 March 2024 to US\$1,102.84 million as of 30 September 2024.¹⁶³ However, YSH has made a substantial recovery with, a reported net profit attributable to equity holders of US\$18.3 million in the 6-month period ending 31 March 2025.¹⁶⁴ However, for the full year ending 31 March 2025, net profit attributable to equity holders still fell from US\$18.4 million in the previous year to US\$9.3 million.¹⁶⁵

Ethical dilemmas

Businesses continuing operations in Myanmar face ethical dilemmas as a result of the junta's systemic human rights abuses, which include forced labour, child labour, gender-based violence and war crimes.¹⁶⁶ Reports have documented exploitation of workers, harassment, and suppression of union activities.¹⁶⁷ Since the 2021 coup, critics have argued that conducting meaningful human rights due diligence has become effectively impossible, as the state military persecutes those who attempt to defend or advocate for rights protection.¹⁶⁸ In response, international bodies have increasingly urged disengagement, such as the UN Fact-Finding Mission advocating for a complete economic disengagement from junta-linked entities to avoid complicity with their activities.¹⁶⁹ However, many companies remain caught in a dilemma. While continuing operations may legitimise the junta's economic power that was built on capitalism and asset seizures, abrupt exits could impact workers who rely on these jobs for their livelihoods.¹⁷⁰

While YSH provides essential services and employment,¹⁷¹ its activities risk supporting a regime accused of crimes against humanity. YSH's success is contingent on navigating kyat volatility, international sanctions, and ethnic armed organisations' territorial gains, while balancing shareholder expectations against escalating ethical scrutiny.

Myanmar's economic output in 2025 is expected to remain 9% below 2019 levels.¹⁷² Thus, YSH's long-term strategy and its potential for diversification beyond its Myanmar-centric portfolio are important issues, although exit strategies remain challenging due to political and financial challenges.

Pun family's strategic leadership transition

On 24 July 2024, after reports alleging Serge's arrest were released, he stepped down as Executive Chairman of YSH with immediate effect,¹⁷³ after serving in the role since August 2006.¹⁷⁴ His eldest son, Melvyn, already YSH's CEO since July 2015, was appointed to the dual role of Chairman and CEO.¹⁷⁵ At the same time, YSH announced the appointment of Cyrus Pun ("Cyrus"), Serge's second son, as an executive director (ED), with his term commencing on 1 September 2024.¹⁷⁶ Cyrus was previously a Non-Independent Non-Executive Director (NINED) from February 2019 to December 2021 and an alternate director to Serge from January 2022 to July 2024.¹⁷⁷

These leadership changes were presented as part of YSH's long-standing succession plan, marking a strategic move to reinforce continuity and control within the family. The changes occurred against the backdrop of reputational challenges arising from Serge's alleged arrest.¹⁷⁸ YSH announced that the Board and Serge had jointly agreed the planned leadership transition to safeguard the company's stability and maintain operational continuity.¹⁷⁹

Deeper dive into the board of directors

In its FY2024 Annual Report, YSH affirmed compliance with Provision 2.4 of the SCCG 2018, stating that its board composition and committee structures are appropriate.¹⁸⁰ The company noted that it had taken into account "the scope and nature of the Group's operations, the requirements of the Company and the need to avoid undue disruptions from changes to the composition of the Board and/or the Board Committees, and is satisfied that the current size of the Board and its committees allows for effective decision making."¹⁸¹

YSH has generally maintained a board structure aligned with regulatory and corporate governance best practices. The company has consistently operated within the SGTI recommended number of directors,¹⁸² including during the leadership transition following the resignation of Serge in 2024.¹⁸³

As at the end of FY2024, while Serge was still Executive Chairman, the board comprised seven members, excluding two alternate directors.¹⁸⁴ The seven directors included Jaime Alfonso Antonio Eder Zobel De Ayala (Jaime), a Non-Independent Non-Executive Director (NINED), who is a nominee of Ayala, a substantial shareholder of YSH.¹⁸⁵ The two alternate directors were Alberto Macapinlac De Larrazabal (Alberto), an alternate director to Jaime, and Cyrus, an alternate director to Serge. Independent Directors (IDs) comprised 57% of the board, excluding the alternate directors.¹⁸⁶ Following Serge's resignation, both Alberto and Cyrus ceased to be alternate directors, with Alberto replacing Jaime as a NINED and Cyrus appointed as an ED.¹⁸⁷

Provision 3.3 of the Singapore Code of Corporate Governance (SCCG) 2018 recommends the appointment of a Lead Independent Director (LID) to provide an additional layer of oversight, particularly in instances where the Chairman is not independent.¹⁸⁸ In line with this, YSH has appointed a LID.¹⁸⁹

Skills and experience

In Melvyn's current role in YSH, he oversees the company's strategic direction and operations across sectors including real estate, consumer businesses, food and beverage, and financial services, with a geographical focus on Myanmar.¹⁹⁰ Prior to joining YSH, Melvyn was the CEO of Serge Pun & Associates (Myanmar) Ltd. since 2012, where he led various business ventures in Myanmar.¹⁹¹ Before transitioning to the family business, he spent

12 years at Goldman Sachs in Hong Kong, ultimately serving as Managing Director and Head of Asia Ex-Japan Corporate Solutions Group, where he provided organisations with financial services that included fund raising, investments and risk management¹⁹²

Cyrus has held various roles on YSH's board since 2011, including ED (2011 to 2019, and reappointed in 2024), NED (2019 to 2021), and alternate director (2022 to 2024).¹⁹³ He was formally reappointed as an ED on 1 September 2024.¹⁹⁴ Since 2019, he has served as CEO of Memories Group Pte. Ltd.¹⁹⁵ Cyrus began his career in China's export industry, working for Hutchison Port Holdings' South China Commercial Division.¹⁹⁶ He joined SPA Group in 2007, where he contributed to the development of a mixed-use real estate project in Dalian, China.¹⁹⁷ He led YSH's real estate business from 2012 to 2019, including several of Myanmar's largest projects, where he was instrumental in securing international partners.¹⁹⁸

Wong Su-Yen (Wong) has served as an ID since 2015 and was appointed LID in 2022.¹⁹⁹ She is a Fellow and Senior Accredited Director of the Singapore Institute of Directors (SID), where she was the first female Chairperson.²⁰⁰ She is also a member of the Australian Institute of Company Directors.²⁰¹ She is said to have over 30 years of experience in driving business strategy, human capital, organisational transformation and risk management,²⁰² with extensive board experience across a range of industries including telecommunications, media, professional services, agriculture, real estate, education and fintech.²⁰³ These include publicly-listed companies, family-controlled businesses, private equity-held firms, government-linked entities, and non-profit organisations. such as, directorships at CSE Global Ltd., First Resources Ltd., and James Cook University Singapore.²⁰⁴

Timothy Ong Teck Mong (Dato Ong) was appointed to the board of YSH in May 2016 as an ID,²⁰⁵ and was nominated through personal contacts.²⁰⁶ He has held directorships at National Insurance of Brunei, and Hotel Associates Sdn Bhd,²⁰⁷ Phinma Corporation and Phinma Education Holdings, Inc.²⁰⁸ He also served as Acting Chairman of the Brunei Economic Development Board from 2005 to 2010, and senior advisor to the APEC CEO summit in Santiago, Chile in 2004.²⁰⁹ In recognition of his contributions to economic diplomacy, he received state honours from Brunei and Chile, including the Most Honourable Order of Seri Paduka Mahkota Brunei and the Grand Cross of the Order of Bernardo O'Higgins.²¹⁰ Dato Ong is also the Founder and Chairman of Asia Inc Forum, a platform that has facilitated over 100 conferences across 15 countries, engaging more than 35,000 participants and 2,000 speakers to foster business-government dialogue on key issues such as climate action, sustainable energy, and inclusive business development.²¹¹

Professor Annie Koh (Professor Koh) has served as an ID since November 2020.²¹² Her career spans both academia and industry. She is Professor Emeritus of Finance (Practice) at SMU and has held several senior administrative roles.²¹³ Her research focuses on family business governance, investor behaviour, and enterprise risk management.²¹⁴ Her board experience include entities in the real estate, insurance, and tech sectors, including SGX-listed Prime US REIT and Prudential Assurance Singapore.²¹⁵ She also advises single-family offices and private firms, such as Flexxon Pte Ltd., PBA Group, and TOP International on succession planning and governance.²¹⁶ Professor Koh is also an ID of AMTD Idea, a Cayman Islands-incorporated company listed on the New York Stock Exchange, with a secondary listing on SGX. She was appointed to the board of AMTD Idea, then known as AMTD International, in June 2020 and also to the board's nomination and corporate governance committee and the strategic planning and development committee.

In September 2023, the Hong Kong Securities and Futures Appeals Tribunal (SFAT) upheld "the Securities and Futures Commission (SFC)'s disciplinary action against Mr Calvin Choi Chi Kin, a former managing director of UBS AG, from re-entering the industry for two years from 29 September 2023 to 28 September 2025 for breaches of the SFC's Code of Conduct and the CFA Code of Conduct (Notes 1 to 4)."²¹⁷ Choi is the founder of the AMTD Group and former Chairman and CEO of AMTD Idea.²¹⁸

Thia Peng Heok George (Thia) was appointed to YSH's board in December 2017 as an ID.²¹⁹ Thia is a chartered accountant and practised with Cooper Brothers & Co. (now PricewaterhouseCoopers).²²⁰ He is also a business

consultant for mergers and acquisitions at GAAB Private Limited and Asiainc Private Limited, and also serves as a NINED at CH Offshore Limited. In addition, he sits on the board of the National Cancer Centre Singapore and advises private equity funds and firms on corporate strategy, governance, and finance, particularly in the healthcare, eldercare, and education sectors.²²¹ Thia has more than 30 years of experience in merchant banking and financial services, having led numerous corporate finance transactions across Singapore and the region.²²² He previously served as ED and partner at Kay Hian (now UOB Kay Hian) and held senior positions including Managing Director at Morgan Grenfell, Merrill Lynch, Sun Hung Kai, and Lum Chang Securities.²²³ He has chaired Audit Committees for listed companies across Southeast Asia, and served as executive chairman of two publicly listed companies.²²⁴

Alberto was appointed to YSH's board as a NINED in August 2024, after serving as alternate director to Jaime from 2023 to 2024.²²⁵ He currently serves as the Chief Financial Officer (CFO), Chief Risk and Sustainability Officer, and Senior Managing Director at Ayala.²²⁶ He also holds leadership positions in Ayala-affiliated entities, including Azalea International Venture Partners Ltd., AC International Finance Ltd., and Liontide Holdings, Inc., where he is President and CEO.²²⁷ His other directorships include Integrated Micro-Electronic Inc., ENEX Energy, and Manila Water in the Philippines.²²⁸ Alberto has more than 20 years of senior executive experience spanning corporate finance, treasury, business development, M&A, investment banking, and investor relations.²²⁹ Prior to joining Ayala, he served as Chief Commercial Officer and CFO of Globe Telecom, an Ayala business unit.²³⁰

Ho Seng Chee (Ho) joined as an ID in March 2025.²³¹ He brings over 30 years of experience in real estate, fintech, and international policy, and is currently an independent consultant and Director at HSC Leadership Pte. Ltd.²³² Previously, he was COO at Olea Global, a fintech venture backed by Standard Chartered Bank, and Chief Corporate Officer at JustCo, where he led regional expansion.²³³ He has also held leadership roles at Mapletree and CapitaLand.²³⁴ Earlier in his career, Ho worked at the International Monetary Fund in Washington, D.C., focusing on economic policy, legal reform, and crisis management.²³⁵ With a legal background, he is also a Specialist Mediator at the Singapore International Mediation Centre.²³⁶

With the addition of Ho, YSH's board had eight directors, with five IDs.²³⁷

Diversity

YSH has publicly expressed its strong commitment to prioritising diversity and inclusion. In 2015, the company publicly endorsed the board diversity pledge, affirming that “diversity is a key attribute of a well-functioning and effective Board”.²³⁸ YSH recognises that a diverse board, encompassing gender, age, nationality, industry experience, and tenure, enhances decision-making through the integration of varied perspectives and lived experiences.²³⁹

As of the FY2025 annual report, there were two female directors constituting 25% of its board.²⁴⁰ In terms of age diversity, YSH's board comprised directors with a wide age range, from 30s to 70s, in FY2024.²⁴¹ However, following the departure of its youngest member, Zobel de Ayala (aged 33),²⁴² the board no longer includes directors in their 30s.²⁴³ Regarding geographical diversity, as of FY2024, YSH's board reflected regional diversity in terms of principal residency, with directors based in Singapore, Myanmar, Brunei Darussalam, and the Philippines. As of 31 March 2024, 43% of the Board resided in Singapore.²⁴⁴ Following changes at the 2024 AGM and appointment of Ho in March 2025, also Singapore-based, that proportion rose to 62%.²⁴⁵

Board renewal

A major regulatory shift occurred on 11 January 2023, when SGX RegCo introduced a mandatory nine-year tenure limit for IDs.²⁴⁶ replacing the prior two-tier shareholder approval mechanism, with a transition period ending at each company's AGM in FY2024.²⁴⁷

YSH announced in its FY2025 annual report that Wong and Dato Ong would retire from their positions as directors on 31 July 2025, to facilitate board renewal.²⁴⁸ Wong had reached the nine-year tenure limit, with Dato

Ong having only a year left till the end of his tenure.²⁴⁹ Following the retirements of Wong and Dato Ong, Poh Mui Hoon (Poh) was appointed as an ID with effect from 1 August 2025.²⁵⁰ With these changes, YSH's board will return to having seven board members.

Poh has board and executive leadership experience across both commercial and non-profit sectors, including Singapore Pools, SATA CommHealth, and SISTIC.²⁵¹ She is also a board mentor with Criticaleye, a London-based leadership development firm, and a member of NTUitive's Investment Committee for Strategic Research Innovation, where she evaluates early-stage technology ventures.²⁵² Her professional qualifications include being a Senior Accredited Director of the Singapore Institute of Directors, and membership in the Singapore Fund Director's Association.²⁵³ Additionally, Poh is the founder and CEO of Esseplora, a Singapore-based food tech startup that empowers independent chefs through a digital platform, demonstrating her entrepreneurial drive and experience with navigating a dynamic market environment.²⁵⁴

SID guidelines or pipelines?

A distinctive feature of YSH's board composition is the strong representation of directors who are council members or former council members of the SID.

The newest ID, Poh, served as a governing council member of the SID from 2014 to 2023, during which Wong was also on the Council, including as Chairperson from 2020 to 2023.²⁵⁵ Poh's appointment continues a trend of SID governing council or former governing council members being appointed as IDs of YSH, including Basil Chan and Adrian Chan Pengee.²⁵⁶ Basil Chan was appointed to YSH's board in August 2006 as an ID. He served as Chair of the Audit and Risk Management Committee and resigned in December 2017, with the reason given as "resigns on his own accord".²⁵⁷ Basil Chan was a SID governing council member from 2002 to 2013.²⁵⁸ Adrian Chan, who was on YSH's board from August 2006 to December 2021 and who had served as LID, was on SID's governing council from 2004 to 2015 and returned for a second stint on the council and currently serves as SID's first Vice-Chairman.²⁵⁹

Several of the past and present directors of YSH are Senior Accredited Directors, a designation given by SID. These include Adrian Chan, Basil Chan, Ho, Professor Koh, Poh and Wong.

A contentious appointment

Wong was unexpectedly thrust into the spotlight amid the controversy at City Developments Limited (CDL). On 7 February 2025, she was appointed as an ID at CDL, a role that quickly became a flashpoint in the power struggle between Sherman Kwek and his father, executive chairman Kwek Leng Beng.²⁶⁰ What made this appointment particularly contentious was the fact that the nominating committee, which is entrusted with overseeing the appointment of IDs, was allegedly bypassed entirely, a move that raised significant concerns about compliance with the SCCG.

"One would expect that someone in her position and with her credentials would ensure that her appointment is in accordance with good corporate governance and the recommendations in SID's own NC Guide."

– Professor Mak Yuen Teen, Corporate Governance Advocate²⁶¹

The bypassing of established procedures not only sparked legal action but also cast a shadow over Wong. Professor Mak highlighted the irony of the situation, pointing to a disconnect between Wong's supposedly extensive governance experience and the irregularities surrounding her appointment.

"Good governance is the compass that guides us. It instils a culture of integrity, transparency and accountability."

– Wong Su Yen, Independent Non-Executive Director of CDL²⁶²

Despite Wong's standing as a former SID Chair and Senior Accredited Director, her appointment appears to have disregarded procedures outlined in the SCCG and the nominating committee guidelines published by the SID.²⁶³

Remuneration policy for NEDs

Approved by shareholders in July 2015,²⁶⁴ the Yoma Performance Share Plan (Yoma PSP) aims to enhance shareholder value by aligning the interest of directors with shareholders. NEDs, including IDs, participate in the PSP.²⁶⁵ This practice has continued, with several announcements issued on share allotments to NEDs under the Yoma PSP.²⁶⁶

However, YSH's practice of tying NED remuneration to company performance appears to diverge from SID guidelines, which recommend against performance-linked pay for NEDs to preserve their independence.²⁶⁷ Guideline 3.4.4 of the Remuneration Committee Guide published by SID states: "While the holding of some equity by NEDs is encouraged, the use of stock options or performance-based stock grants for NEDs would not be appropriate as this would be performance-based remuneration which goes against the philosophy of NED fees..."²⁶⁸

"It doesn't appear that Yoma is following what SID recommends. That may not be a big deal - but the RC chairman was the immediate past chairman of SID. Did she push for the adoption of SID's best practice?"²⁶⁹

– Professor Mak Yuen Teen, Corporate Governance Advocate

Yoma justifies the NEDs participating in the PSP, despite not handling daily management, by claiming that they contribute expertise, contacts, and play a key role in shaping business strategy.²⁷⁰ It was further explained that the Yoma PSP serves as an alternative form of remuneration for NEDs, as cash payments for directors' fees may not fully reflect the strategic and other value that they contribute to YSH.²⁷¹ The selection of directors to participate in the Yoma PSP, and the number of awards to be offered, is decided by YSH's Remuneration Committee (RC).²⁷² NEDs, Wong, Professor Koh, Thia, and Adrian Chan had served on the RC in the past,²⁷³ with Wong serving as the RC chairman from 2017 to 2025, having taken over the position from Adrian Chan.²⁷⁴

Accelerated vesting of share awards for retiring NEDs

YSH sought shareholders' approval to grant performance shares to the NEDs. At its AGM on 29 January 2021, it sought shareholders' approval to issue 250,000 shares each to Adrian Chan, Wong, Dato Ong, Thia and Professor Koh under the Yoma PSP. The shares have no performance conditions but with vesting periods imposed, and were to be released in three tranches, with dates not specified.²⁷⁵ Three out of the five participating NEDs who already held ordinary shares in YSH, abstained from voting on this resolution, but the major shareholders, including management, were not required to and did not abstain.²⁷⁶ Seventeen percent of shares voted against this resolution.²⁷⁷

At its AGM on 27 July 2023, YSH again sought shareholders' approval to grant performance shares to the NEDs, amounting to a total of 4.3 million shares. Wong, Dato Ong and Thia were each to be granted 1.2 million shares while Professor Koh was to be granted 700,000 shares.²⁷⁸ The resolution stated that the dates of vesting of the awards are 33% of the shares on 26 May 2024, 33% of the shares on 26 May 2025, and 34% of the shares on 26 May 2026.²⁷⁹ This time, 18.47% of the shareholders voted against the resolution.²⁸⁰

The first tranche of 33% duly vested on 29 May 2024 for each of the four NEDs.²⁸¹ While the 2023 resolution regarding the Yoma PSP stipulated that the second tranche of shares would vest on 29 May 2025, the second tranche was vested instead on 1 August 2025, a day after YSH's 2025 AGM.²⁸² The second tranche included a total of another 2,403,000 shares vested, for Wong and Dato Ong who both retired on 31 July 2025.²⁸³ For Thia and Professor Koh, 396,000 shares²⁸⁴ and 231,000 shares respectively,²⁸⁵ which amount to 33% of the total shares

granted, vested. The remaining 1,776,000 shares that vested must have been for Wong and Dato Ong. Based on what shareholders approved in the July 2025 AGM, only another 396,000 shares each were supposed to vest for Wong and Dato Ong – or a total of 792,000 shares. It therefore appears that the vesting of the remaining shares for them were accelerated when they retired. No ordinary or special resolutions were proposed to ask shareholders to approve a change in the dates of the vesting of the performance share awards that were stipulated during YSH's AGM on 27 July 2023.²⁸⁶

In the remuneration section of its Corporate Governance Report, YSH discloses the fee structure for NED fees and cash fees paid to NEDs. A breakdown of NED remuneration, which shows the grants of performance share awards, is disclosed in the year of grant.²⁸⁷ There is no further disclosure of the performance shares for the NEDs when they vest.

Figure 1 shows the disclosure of NED remuneration for the financial period ending 31 March 2023. This disclosure includes the value of the performance share awards to each of the NEDs (subject to the resolution to grant the performance shares being approved at the AGM in July 2023). It was disclosed that these share awards will only be released in accordance with the prescribed vesting schedules.²⁸⁸

Information on the remuneration of the Non-Executive Directors for FP2023 is set out below (assuming that shareholders approve the payment of fees for the 6-month period ended 31 March 2023 at the 2023 AGM):

Non-Executive Directors	Fee (\$)	Variable or Performance-Related Income or Bonuses (\$)	Share Awards ⁽¹⁾ (\$)	Benefits in kind, Allowances and Other Incentives (\$)	Total (\$)
Mr. Cyrus Pun ⁽²⁾	6,000	–	–	–	6,000
Mr. Adrian Chan ⁽³⁾	10,250	–	28,272	–	38,522
Mr. Cezar Consing ⁽⁴⁾	26,720	–	–	–	26,720
Mr. Jaime Alfonso Zobel de Ayala ⁽⁵⁾	9,280	–	–	–	9,280
Ms. Wong Su Yen	60,750	–	135,559	–	196,309
Dato Timothy Ong	56,000	–	135,559	–	191,559
Mr. George Thia	60,000	–	135,559	–	195,559
Prof. Annie Koh	48,500	–	90,856	–	139,356
Mr. Paolo Borromeo ⁽⁶⁾	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Alberto Larrazabal ⁽⁷⁾	N.A.	N.A.	N.A.	N.A.	N.A.

Notes:

- ⁽¹⁾ These share awards comprised of a total of (a) 4,300,000 ordinary shares of the Company which will be subject to shareholders' approval at the 2023 AGM and will only be released in accordance with the prescribed vesting schedules upon such approval. Please refer to Resolution 11 in the Notice of AGM dated 11 July 2023 for more details; and (b) 1,250,000 ordinary shares of the Company which were granted on 29 November 2021 and approved by shareholders at the Company's AGM held on 29 January 2021. The share awards will be released in accordance with the prescribed vesting schedules.
- ⁽²⁾ Mr. Cyrus Pun ceased to be a Non-Executive Non-Independent Director on 31 December 2021 and was redesignated as an Alternate Director to Mr. Serge Pun on 1 January 2022. His director's fees in the table reflects fees in respect of the period from 1 October 2021 to 31 December 2021. Mr. Cyrus Pun is not paid any director's fee as an Alternate Director.
- ⁽³⁾ Mr. Adrian Chan ceased to be a Non-Executive Lead Independent Director on 31 December 2021. His directors' fees in the table reflect the fees in respect of the period from 1 October 2021 to 31 December 2021.
- ⁽⁴⁾ Mr. Cezar Consing ceased to be a Non-Executive Non-Independent Director on 10 November 2022. His directors' fees in the table reflect the fees in respect of the period from 1 October 2021 to 10 November 2022.
- ⁽⁵⁾ Mr. Jaime Alfonso Zobel de Ayala was appointed as a Non-Executive Non-Independent Director on 10 November 2022. His directors' fees in the table reflect fees in respect of the period from 10 November 2022 to 31 March 2023.
- ⁽⁶⁾ Mr. Paolo Borromeo was an Alternate Director. He was not paid any director's fee. Mr. Paolo Maximo ceased as an Alternate Director on 20 April 2023.
- ⁽⁷⁾ Mr. Alberto Larrazabal is an Alternate Director. He is not paid any director's fee.

Figure 1: Disclosure of NED remuneration in the Financial Period 2023 Annual Report²⁸⁹

Source: Yoma Strategic Holdings Ltd. (2023). Annual Report 2023.

Share awards on top of director's fees

Over the last decade, YSH repeatedly sought shareholder approval to grant share awards to NEDs under the Yoma PSP, on top of director's fees. There were three instances where share awards were granted under the Yoma PSP - in 2016,²⁹⁰ 2021,²⁹¹ and 2023²⁹² (see Figure 2). The upper limit of aggregate directors' fee payable by YSH at the AGM was not reduced, when share awards were granted (e.g., "up to" S\$380,000 in 2016, S\$400,000 in 2021, and S\$354,000 in 2023), indicating that the share awards functioned as additional remuneration (albeit subject to vesting) rather than a substitution for cash fees.

Financial Year/ Period	Aggregate Directors' Fees Payable by YSH (S\$)	Number of Share Awards Granted	Value of Share Awards Based on Market Price at date of Grant (S\$)
April 2015 to March 2016	Up to 285,000 ^{293,294}	-	-
April 2016 to March 2017	Up to 380,000 ^{295,296}	750,000 for five NEDs ²⁹⁷	450,000 for five NEDs ²⁹⁸
April 2017 to March 2018	Up to 380,000 ^{299,300}	-	-
April 2018 to March 2019	Up to 380,000 ^{301,302}	-	-
April 2019 To September 2020	Up to 540,000 ^{303,304,305,306}	-	-
October 2020 to September 2021	Up to 400,000 ^{307,308}	-	-
October 2021 to March 2023	Up to 488,500 total ^{309,310,311,312}	1,250,000 for five NEDs ³¹³	166,250 for five NEDs ³¹⁴
April 2023 to March 2024	Up to 354,000 ^{315,316}	4,300,000 for four NEDs ³¹⁷	425,700 for four NEDs ³¹⁸
April 2024 to March 2025	Up to 354,000 ^{319,320}	-	-

Figure 2: Directors' Fees and Share Awards Received by NEDs between April 2015 and March 2025

Bark without bite?

On 11 June 2024, YSH experienced a sudden surge in share price, prompting an immediate query from SGX RegCo.³²¹ The exchange regulator requested YSH to disclose any information that might have triggered the unusual stock movement and to confirm its compliance with the Mainboard listing rules. YSH responded that it was unaware of any reason for the sharp price increase, aside from publicly available news and reports, including the release of its FY2024 financial results which marked a turnaround in profitability,³²² and a report by brokerage firm Phillip Capital projecting YSH's continued earnings growth in FY2025 that is driven by the group's property, food & beverage, and Wave Money businesses.³²³ YSH also confirmed its full compliance with SGX listing requirements.³²⁴

Following a *Myanmar Now* report on 9 July 2024 alleging that Serge had been detained by the military,³²⁵ SGX RegCo issued a query the next day requesting YSH to provide further details on Serge's engagement with Myanmar's authorities.³²⁶ YSH responded that Serge met the Central Bank of Myanmar on 24 May 2024, with the board informed on 27 May 2024.³²⁷ YSH reiterated that there was no clear indication that Serge was under investigation,³²⁸ and maintained that the inquiries pertained to "banking activities", which YSH did not participate in, given that Yoma Bank is a subsidiary of FMI and not YSH.³²⁹

On 10 July 2024 and 11 July 2024, SGX RegCo issued further queries about Serge's engagements with Myanmar authorities and their potential impact on YSH.³³⁰ YSH responded that there was no indication any official detention or house arrest was imposed on Serge.³³¹ Serge remained in Nay Pyi Taw, cooperating with authorities while staying in accommodation they provided.³³² YSH also noted that Serge and his two accompanying employees had restricted access to their communication devices.³³³ It maintained that Serge's current situation had no material impact on the company's business, emphasising that day-to-day operations were managed by CEO Melvyn and other senior executives.³³⁴

On 12 August 2024, SGX RegCo queried YSH regarding the concurrent appointments of its newly appointed directors, Cyrus and Alberto.³³⁵ YSH clarified that Cyrus held 54 directorships, mostly in passive investment holding entities, including 38 within the YSH group.³³⁶ Given his past roles with YSH and residence in Yangon, the YSH's Nomination and Governance Committee (NGC) was confident that he had the capacity to fulfil his duties as an ED.³³⁷ On the other hand, Alberto is the CFO of Ayala Corporation and holds 14 directorships in Ayala-related private companies.³³⁸ He previously served as alternate director to a YSH board member, giving him familiarity with the company.³³⁹ The Board and NGC believed he was able to effectively serve as a NEID.³⁴⁰

On 16 August 2024, *The Irrawaddy* reported that Serge was facing charges in Myanmar for money laundering and financial crimes.³⁴¹ The article alleged that he used proceeds from online scam centres to fund the StarCity Project and was linked to violations involving Yoma Bank's mortgage lending violations.³⁴² SGX RegCo queried YSH on 19 August 2024, to clarify whether Serge was charged prior to his resignation; whether any investigations involved YSH, its directors, or businesses;³⁴³ and the board's assessment of any impact.³⁴⁴ YSH replied that no charges had been filed against Serge as of his resignation date and reaffirmed that it was not aware of any investigations concerning the company or its leadership.³⁴⁵ YSH also reiterated that its businesses remained operational, despite the developments surrounding Serge, and that there were no material impact on its financials.³⁴⁶

Professor Mak questioned whether SGX RegCo missed the opportunity to ask direct questions that could have clarified key issues raised by *The Irrawaddy's* allegations. In particular, asking whether Serge had been "charged" as of his resignation, rather than whether he was under investigation, may have unnecessarily constrained the scope of YSH's response.³⁴⁷ This was compounded by SGX RegCo's second question that focused only on whether there were investigations against current directors, executive officers or employees, effectively excluding Serge who had resigned prior to YSH's response.³⁴⁸

From Manila to Myanmar

On 14 November 2019, Philippines-founded Ayala Corporation announced a strategic partnership with YSH, investing US\$237.5 million for a 20% stake in YSH and in the Yangon-listed FMI.³⁴⁹ The investment would be done in two tranches, with the second tranche slated to conclude in 2024.³⁵⁰ As a result, VIP Infrastructure Holdings, a wholly-owned subsidiary of Bestfull Holdings Limited, which in turn is a wholly-owned subsidiary of Ayala,³⁵¹ maintains a 13.92% stake in YSH, as reflected in YSH's FY2025 Annual Report.³⁵² In addition to Myanmar's appeal as one of Asia's last frontier markets, Ayala also cited significant overlaps in the core businesses and shared business partners of both companies, as key factors underlying the partnership.³⁵³

Ayala is a family-run, publicly-listed company in the Philippines and is the country's oldest and largest conglomerate.³⁵⁴ Its main businesses are in real estate, telecommunications and energy.³⁵⁵ Prior to its investment in YSH, it has made relatively few international investments outside the Philippines.³⁵⁶

Its first major international investments began in 2017 under its subsidiary AC Energy, which involved renewable energy projects in Vietnam and Indonesia,³⁵⁷ followed by an expansion into Australia in 2018.³⁵⁸ Ayala has also ventured into the renewable water sector in 2013 via an investment in Vietnam's Saigon Water

Infrastructure Corp.³⁵⁹ However, in 2019, then-Philippines President Rodrigo Duterte threatened legal action over allegations of economic sabotage,³⁶⁰ prompting Ayala to divest all its voting shares by 2024.³⁶¹

Governance meets gamble

Ayala has widely been regarded as a leader in corporate governance, both in the Philippines and across Southeast Asia.³⁶² The group is recognised for its strategic leadership and management, and commitment to innovation in business practices,³⁶³ where professional management teams are responsible for day-to-day operations despite the company's family-run structure.³⁶⁴

Ayala's pioneers have been described as individuals who demonstrated business foresight and a willingness to pursue strategic decisions that, while unconventional at that time, later proved effective.³⁶⁵ The current leadership continues to build on this foundation, to maintain and further develop the standards set by previous generations.³⁶⁶

Although Ayala's overseas businesses were still in the early stages of development,³⁶⁷ Ayala proceeded with a US\$237.5 million investment in YSH.³⁶⁸ This marked Ayala's first overseas investment beyond the energy sector, involving a multi-sector collaboration.³⁶⁹ Ayala stated that its partnership with YSH reflected its objective of supporting Myanmar's development, by leveraging its expertise in sectors such as real estate, banking, automotive and healthcare.³⁷⁰

A risky Ayala-nc

In response to Myanmar's deteriorating political environment, Japanese brewery Kirin Holdings announced its decision to withdraw from a joint venture with a company linked to the military junta,³⁷¹ while Thai developer Amata Corporation placed its US\$1 billion in real estate expansion project in Myanmar on hold in response to the junta's takeover.³⁷²

In contrast, Ayala opted for a "wait-and-see" approach and continued to maintain its long-term partnership with YSH.³⁷³ At a time when companies were exiting Myanmar-related ventures due to the escalating political unrest, Ayala continued to see the deal through.

Despite Ayala's net income being halved in 2020, and its announced plan to focus on its core businesses while expanding into healthcare and logistics in response to pandemic-driven demand, its commitment to YSH has remained unchanged.³⁷⁴ Further, Ayala nominated its then-president, Fernando Zobel de Ayala, to the boards of both YSH and FMI, signalling its commitment to the partnership.³⁷⁵ It has continued to be represented on YSH's Board through NED appointments, namely in 2022, when Ayala's Head of Business, Jaime, was appointed as a NINED,³⁷⁶ followed by the appointment of the CFO of Ayala, Alberto, as a NINED in 2024.³⁷⁷

Moving forward

As YSH navigates an increasingly volatile landscape marked by political unrest and social instability, it finds itself at a critical juncture. The two recent earthquakes, measuring 7.7 and 6.4 in magnitude, that struck Myanmar in late March 2025 have further destabilised the nation, compounding ongoing economic decline,³⁷⁸ civil unrest, and institutional fragility.³⁷⁹ While YSH reported that its staff, facilities and real estate business remained largely unharmed, disruptions were experienced in other business segments, particularly in its mobile financial services and food and beverage, due to damage to essential infrastructure such as electricity, telecommunications and transport in some regions.³⁸⁰ These operational challenges, set against an already fragile environment, underscore the importance of maintaining business continuity, safeguarding stakeholder confidence, and reinforcing governance oversight.

Is YSH's corporate governance fit for purpose especially given its high-risk operating environment?

Discussion questions

1. What are key corporate governance challenges for family-controlled and managed companies like YSH?
2. What are the governance risks associated with Serge Pun's control of multiple businesses under SPA Group, and how should YSH mitigate these risks?
3. What business and corporate governance challenges do companies face operating in Myanmar? How do YSH's financial ties to military-linked entities complicate its corporate governance? What conflicting stakeholder interests may emerge from YSH's junta collaboration on projects like Yoma Central?
4. Critically assess YSH's long-term strategic options given the current circumstances, and consider diversification beyond Myanmar as well as potential exit strategies. What governance mechanisms could help mitigate the risks of inadvertent involvement in human rights violations while maintaining operational viability?
5. Critically evaluate the structure and composition of YSH's Board of Directors.
6. What corporate governance issues may arise from YSH's practice of appointing IDs with a strong connections to the governing council of the Singapore Institute of Directors (SID)? Do these issues raise any concerns with the governance of SID itself? Explain.
7. How might the concentration of leadership roles, such as an individual holding both board and executive positions, impact board independence and governance effectiveness? What measures could be implemented to safeguard against potential conflicts of interest?
8. What are the potential governance risks if independent directors exceed the nine-year limit but remain on the Board in non-independent roles? Is tenure an appropriate indicator of director independence? How can the independence of independent directors be enhanced? Explain.
9. Discuss whether non-executive directors' remuneration should be linked to value creation. How should NED remuneration be structured to ensure they are paid fairly and appropriately, without compromising their role and independence? Critically evaluate the remuneration policy and disclosures for NEDs at YSH.
10. Assess the effectiveness of SGX RegCo as a regulator for Singapore-listed companies based on the YSH case.
11. Evaluate Ayala's decision to invest in Yoma Strategic Holdings. From a risk management perspective, how should a company like Ayala approach such a decision before proceeding?

Endnotes

- 1 Yoma Strategic Holdings Ltd. (n.d.). Corporate Information. Retrieved from <https://links.sgx.com/1.0.0/corporate-information/2031>
- 2 Yahoo Finance. (n.d.). Yoma Strategic Holdings Ltd (Z59.SI). Retrieved from <https://finance.yahoo.com/quote/Z59.SI/profile/>
- 3 Financierings-Maatschappij voor Ontwikkelingslanden - Dutch entrepreneurial development bank. (n.d.). Yoma Strategic Holdings Ltd. Retrieved from <https://www.fmo.nl/project-detail/53849>
- 4 Yoma Strategic Holdings Ltd. (2024, July 24). Press Release: Yoma Strategic Announces Leadership Transition. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/YomaPressReleaseLeadershipTransition24July2024Final.pdf>
- 5 The Org. (n.d.). Melvyn Pun Chi Tung. Retrieved from <https://theorg.com/org/yomastrategic/org-chart/melvyn-pun-chi-tung>
- 6 Ibid.
- 7 Yahoo Finance. (n.d.). Yoma Strategic Holdings Ltd (Z59.SI). Retrieved from <https://finance.yahoo.com/quote/Z59.SI/profile/>
- 8 TipRanks Singapore Newsdesk. (2024, June 4). Yoma Strategic Expands Services In Thailand. Nasdaq. Retrieved from <https://www.nasdaq.com/articles/yoma-strategic-expands-services-thailand>
- 9 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Yoma Strategic Holdings Ltd. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf
- 10 Yoma Strategic Holdings. (2024, May 29). Press Release: Yoma Strategic Reports Strong Financial Results With Revenue Growing 79% And Strong Profits In FY2024. Retrieved from <https://newsfile.futunn.com/public/NN-PersistNoticeAttachment/7781/20240709/SGX/51857c3cea9b4b4442c9379b71f32e25>
- 11 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Yoma Strategic Holdings Ltd. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf
- 12 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 13 Google Finance. (2025, August 1). Yoma Strategic Holdings Ltd. Retrieved from <https://www.google.com/finance/quote/Z59:SGX?hl=en>
- 14 Yoma Strategic Holdings Ltd. (2017). Annual Report 2017. Retrieved from https://yomastrategic.com/wp-content/uploads/2021/03/Yoma_Annual_Report_2017.pdf
- 15 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Yoma Strategic Holdings Ltd. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf
- 16 Yoma Strategic Holdings. (2024, May 29). Press Release: Yoma Strategic Reports Strong Financial Results With Revenue Growing 79% And Strong Profits In FY2024. Retrieved from <https://newsfile.futunn.com/public/NN-PersistNoticeAttachment/7781/20240709/SGX/51857c3cea9b4b4442c9379b71f32e25>
- 17 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf
- 18 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 19 Ibid.
- 20 Augustin. (2023, July 26). Asia's Accelerating Shift To Cashless Payments: Embracing A Digital Future. The Global New Light of Myanmar. Retrieved from <https://www.gnlm.com.mm/asias-accelerating-shift-to-cashless-payments-embracing-a-digital-future/>
- 21 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf
- 22 Yoma Strategic Holdings Ltd. (2024). Annual Report 2024. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/20240715-YSH-Annt-i-atth-Annual-Report-2024.pdf>
- 23 Yoma Strategic Holdings. (2024, May 29). Press Release: Yoma Strategic Reports Strong Financial Results With Revenue Growing 79% And Strong Profits In FY2024. Retrieved from <https://newsfile.futunn.com/public/NN-PersistNoticeAttachment/7781/20240709/SGX/51857c3cea9b4b4442c9379b71f32e25>
- 24 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf

- 25 Yoma Strategic Holdings. (2024, May 29). Press Release: Yoma Strategic Reports Strong Financial Results With Revenue Growing 79% And Strong Profits In FY2024. Retrieved from <https://newsfile.futunn.com/public/NN-PersistNoticeAttachment/7781/20240709/SGX/51857c3cea9b4b4442c9379b71f32e25>
- 26 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 27 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 28 Ibid.
- 29 Ibid.
- 30 Camus, M. R. (2019, November 14). Ayala Corp. Investing \$237.5M In Myanmar Conglomerate Yoma Group. Inquirer.net. Retrieved from <https://business.inquirer.net/283304/ayala-corp-investing-237-5m-in-myanmar-conglomerate-yoma-group>
- 31 Yoma Strategic Holdings Ltd. (2024). Annual Report 2024. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/20240715-YSH-Annt-i-atrch-Annual-Report-2024.pdf>
- 32 Ibid.
- 33 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf
- 34 Centre for Governance and Sustainability, NUS Business School. (2023, August 2). Singapore Governance and Transparency Index 2023 - General Category. Retrieved from <https://www.sid.org.sg/common/Uploaded%20files/Resources/SGTI/2023/CGS-SGTI-2023-General-Category-Ranking-Results-in-Alphabetical-Order.pdf>
- 35 Centre for Governance and Sustainability, NUS Business School. (n.d.). Singapore Governance and Transparency Index 2024 - General Category. Retrieved from <https://bschool.nus.edu.sg/cgs/wp-content/uploads/sites/7/2024/08/CGS-SGTI-2024-General-Category-Ranking-Results-by-Scores.pdf>
- 36 Centre for Governance and Sustainability, NUS Business School. (2025, August 14). Singapore Governance and Transparency Index 2025 – General Category. Retrieved from <https://bschool.nus.edu.sg/cgs/wp-content/uploads/sites/145/2025/08/CGS-SGTI-2025-General-Category-Ranking-Results-by-Scores.pdf>
- 37 SGXGroup. (2019, November 26). SGX RegCo launches 2019 list of SGX Fast Track companies. Retrieved from https://links.sgx.com/FileOpen/20191126_SGX%20RegCo_launches_2019_list_of_SGX_Fast_Track_companies.ashx?App=Announcement&FileID=587389
- 38 Yoma Strategic Holdings Ltd. (n.d.). Corporate Governance. Retrieved from <https://yomastrategic.com/investors/corporate-governance/>
- 39 SGXGroup. (n.d.). SGX Fast Track Program. Retrieved from <https://regco.sgx.com/sgx-fast-track>
- 40 Yoma Strategic Holdings Ltd. (2024, August 8). Investor Fact Sheet: FY2024. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/09/YSH_Investor-Fact-Sheet_20240828-1.pdf
- 41 Zimmermann, A. (2019, April 23). Serge Pun (Born 1953). Biographien Projekt. Retrieved from <http://bios.myanmar-institut.org/2019/04/23/serge-pun-born-1953/>
- 42 Asia Property Awards. (2016, June 25). The Story Of Serge Pun: Myanmar's 2016 Real Estate Personality. PropertyGuru Asia Property Awards. Retrieved from <https://www.asiapropertyawards.com/en/the-story-of-serge-pun-myanmars-2016-real-estate-personality/>
- 43 Albert, E., & Xu, B. (2022, January 31). Myanmar's Troubled History: Coups, Military Rule, and Ethnic Conflict. Council on Foreign Relations. Retrieved from <https://www.cfr.org/backgrounder/myanmar-history-coup-military-rule-ethnic-conflict-rohingya>
- 44 Zimmermann, A. (2019, April 23). Serge Pun (Born 1953). Biographien Projekt. Retrieved from <http://bios.myanmar-institut.org/2019/04/23/serge-pun-born-1953/>
- 45 Ibid.
- 46 Ibid.
- 47 Bloomberg. (2015, September 25). Serge And Melvyn Pun: A Myanmar Success Story. The Pulse with Francine Lacqua. Retrieved from <https://www.bloomberg.com/news/videos/2015-09-25/serge-and-melvyn-pun-a-myanmar-success-story>
- 48 Asia Property Awards. (2016, June 25). The Story Of Serge Pun: Myanmar's 2016 Real Estate Personality. PropertyGuru Asia Property Awards. Retrieved from <https://www.asiapropertyawards.com/en/the-story-of-serge-pun-myanmars-2016-real-estate-personality/>

- 49 Yue, B. (2024, July 18). Rebuilding Myanmar. *China Daily Asia*. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/18-Jul-2014-China-Daily-Rebuilding-Myanmar.pdf>
- 50 Tin, A. H. (2002). The Role Of Foreign Direct Investment In Myanmar After 1988-89. KDI Central Archives. Retrieved from <https://archives.kdischool.ac.kr/bitstream/11125/29988/1/%28The%29%20Role%20of%20Foreign%20Direct%20Investment%20In%20Myanmar%20after%201988-89.pdf>
- 51 Peninsula Press. (n.d.). Serge Pun. Retrieved from <https://www.peninsula-press.com/speakers/serge-pun/>
- 52 First Myanmar Investment Public Company Limited. (n.d.). About FMI. Retrieved from <https://fmi.com.mm/about-fmi/>
- 53 First Myanmar Investment Public Company Limited. (n.d.). Business Overview. Retrieved from <https://fmi.com.mm/businesses/business-overview/>
- 54 First Myanmar Investment Public Company Limited. (n.d.). About FMI. Retrieved from <https://fmi.com.mm/about-fmi/>
- 55 Yoma Bank. (n.d.). About Us. Retrieved from <https://www.yomabank.com/en/who-we-are/about-us/yoma-bank/>
- 56 Ibid.
- 57 First Myanmar Investment Company Limited. (2003). Annual Report 2002-2003. Retrieved from <https://cdn.yomastrategic.net/public/fmi/contents/uploads/2018/09/14043122/FMI-Annual-Report-2002-03.pdf>
- 58 The Grid. (n.d.). Yoma Strategic Investments. Retrieved from <https://sgpgrid.com/company-details/yoma-strategic-investments-ltd>
- 59 Yoma Strategic Holdings Ltd. (2007). Yoma Strategic Holdings Ltd. Annual Report 2007. Retrieved from https://lib.nus.edu.sg/nus_hlc/annrep/yoma2007.pdf
- 60 Yoma Strategic Holdings Ltd. (n.d.). About The Yoma Group. Retrieved from <https://yomastrategic.com/about-the-yoma-group/>
- 61 Yoma Strategic Holdings Ltd. (2007). Yoma Strategic Holdings Ltd. Annual Report 2007. Retrieved from https://lib.nus.edu.sg/nus_hlc/annrep/yoma2007.pdf
- 62 Jebsen & Jessen (SEA). (n.d.). About Us. Retrieved from <https://www.jj-pun.com/about-us/>
- 63 Jebsen & Jessen Pte Ltd. (n.d.). Board Of Directors. Retrieved from <https://www.jjsea.com/about-us/board-of-directors/>
- 64 YSX Stock Exchange. (n.d.). Company Profile (Myanmar Thilawa SEX Holdings Public Co., Ltd.). Retrieved from https://ysx-mm.com/wp-content/uploads/2019/10/cp_00002_en_23102019.pdf
- 65 Lee, M. (2018, January 5). Serge Pun Goes Where Others Fear To Tread — The Business Times. Memories Group. Retrieved from <https://memoriesgroup.com/in-the-news/serge-pun-goes-where-others-fear-to-tread-the-business-times/>
- 66 Hein, H. T. (2023, July 20). Myanmar Junta Crony Serge Pun Faces More Scorn Over Leaked Video Clip. *The Irrawaddy*. Retrieved from https://www.irrawaddy.com/news/myanmar-junta-crony-serge-pun-faces-more-scorn-over-leaked-video-clip.html#google_vignette
- 67 Hein, H. T. (2023, July 20). Myanmar Junta Crony Serge Pun Faces More Scorn Over Leaked Video Clip. *The Irrawaddy*. Retrieved from https://www.irrawaddy.com/news/myanmar-junta-crony-serge-pun-faces-more-scorn-over-leaked-video-clip.html#google_vignette
- 68 Ibid.
- 69 Ibid.
- 70 Justice For Myanmar (2021, February 4). Justice For Myanmar Releases List Of Military-Owned Businesses, Their Directors And Significant Business Associates And Calls For Immediate Targeted International Sanctions. Business & Human Rights Resource Centre. Retrieved from <https://www.business-humanrights.org/en/latest-news/justice-for-myanmar-releases-list-of-military-owned-businesses-their-directors-and-significant-business-associates-and-calls-for-immediate-targeted-international-sanctions>
- 71 Myanmar Now. (2024, July 9). Serge Pun, One Of Myanmar's Top Tycoons, Detained In Naypyitaw. Retrieved from <https://myanmar-now.org/en/news/serge-pun-one-of-myanmars-top-tycoons-detained-in-naypyitaw/>
- 72 Min, A., & Kudo, T. (2014). Business Conglomerates in the Context of Myanmar's Economic Reform. Retrieved from https://web.archive.org/web/20150924032745/http://www.ide.go.jp/English/Publish/Download/Brc/pdf/13_07.pdf
- 73 Hein, H. Z. (2024, July 10). Myanmar Junta Detains S'pore-Listed Yoma Strategic Holdings' Chairman Serge Pun. *The Irrawaddy*. Retrieved from <https://www.irrawaddy.com/news/junta-crony/myanmar-junta-detains-spore-listed-yoma-strategic-holdings-chairman-serge-pun.html>
- 74 Zhu, M. (2024, June 5). Land Business Unit Not Involved In Sale Of Thai Properties, Says Yoma. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/land-business-unit-not-involved-sale-thai-properties-says-yoma>
- 75 Ibid.

- 76 Singapore Business Review. (2024). Yoma Holdings Unclear On Serge Pun's Detention Or House Arrest. Retrieved from <https://sbr.com.sg/commercial-property/news/yoma-holdings-unclear-serge-puns-detention-or-house-arrest>
- 77 Ibid.
- 78 Singapore Business Review. (2024). Yoma Clarifies No Charges Against Chairman Serge Pun In Myanmar. Retrieved from <https://sbr.com.sg/commercial-property/news/yoma-clarifies-no-charges-against-chairman-serge-pun-in-myanmar>
- 79 Ibid.
- 80 Yoma Strategic Holdings Ltd. (2024, July 24). Press Release: Yoma Strategic Announces Leadership Transition. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/YomaPressReleaseLeadershipTransition24July2024Final.pdf>
- 81 Ibid.
- 82 Ibid.
- 83 Hein, H. Z. (2024, July 25). Detained Myanmar Crony Serge Pun Steps Down From Singapore-Listed Firms. The Irrawaddy. Retrieved from <https://www.irrawaddy.com/news/junta-crony/detained-myanmar-crony-serge-pun-steps-down-from-singapore-listed-firms.html>
- 84 Ibid.
- 85 The Irrawaddy. (2024, August 16). Myanmar Junta Charges Tycoon Serge Pun With Money Laundering, Other Financial Crimes. Retrieved from <https://www.irrawaddy.com/business/myanmar-junta-charges-tycoon-serge-pun-with-money-laundering-other-financial-crimes.html>
- 86 Ibid.
- 87 Singapore Business Review. (2024). Yoma Strategic Holdings Disputes Allegations Of Money Laundering In Myanmar. Retrieved from <https://sbr.com.sg/commercial-property/news/yoma-strategic-holdings-disputes-allegations-money-laundering-in-myanmar>
- 88 Ibid.
- 89 Ibid.
- 90 The Straits Times. (2024, August 20). Yoma Denies Allegations It Used Criminal Proceeds From Online Scam Centres For StarCity Project. Retrieved from <https://www.straitstimes.com/business/yoma-denies-allegations-of-using-criminal-proceeds-for-starcity-project>
- 91 Ibid.
- 92 Chanjaroen, C. (2024, July 19). Yoma Chairman With Myanmar Authorities, Communication Restricted. Retrieved from <https://archive.is/20240720031825/https://www.bloomberg.com/news/articles/2024-07-19/yoma-chairman-with-myanmar-authorities-communication-restricted>
- 93 Ibid.
- 94 Ibid.
- 95 Zhu, M. (2021, February 3). Hot Stock: Yoma Strategic Slides 27% After Business Update on Myanmar Situation. The Business Times. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hot-stock-yoma-strategic-slides-27-after-business-update-on-myanmar-situation>
- 96 Yahoo Finance. (n.d.). Yoma Strategic Holdings Ltd (Z59. SI). Retrieved from <https://finance.yahoo.com/quote/Z59.SI/>
- 97 Undervalued Shares. (2024, June 7). Yoma Strategic – Betting On Peace In Myanmar. Retrieved from <https://www.undervalued-shares.com/weekly-dispatches/yoma-strategic-betting-on-peace-in-myanmar/>
- 98 Noordin, K. A. (2024, June 11). Yoma Triggers SGX Query After Shares Surged By Over 30% (Update). Yahoo Finance. Retrieved from <https://sg.finance.yahoo.com/news/yoma-triggers-sgx-query-shares-011609544.html>
- 99 The Straits Times. (2024, July 10). S'pore-listed Yoma Shares Plunge As Firm Says Chairman Cooperating With Myanmar Authorities. Retrieved from <https://www.straitstimes.com/business/yoma-strategic-clarifies-that-no-charges-have-been-filed-against-executive-chairman>
- 100 The Straits Times. (2024, August 20). Yoma Denies Allegations It Used Criminal Proceeds From Online Scam Centres for Starcity Project. Retrieved from <https://www.straitstimes.com/business/yoma-denies-allegations-of-using-criminal-proceeds-for-starcity-project>
- 101 Mathieson, D. S. (2024, June 6). Junta Waging War On Myanmar's Doom-Loop Economy. Asia Times. Retrieved from <https://asiatimes.com/2024/06/junta-waging-war-on-myanmars-doom-loop-economy/#>

- 102 Mishra, V. (2025, January 29). Four Years After The Coup, Myanmar Remains On The Brink. UN News. Retrieved from <https://news.un.org/en/story/2025/01/1159561#:~:text=Between%202020%20and%202024%2C%20Myanmar%27s,progress%20of%20the%20previous%20decade>
- 103 Ibid.
- 104 World Bank Group. (2024, December 11). Compounding Crises Hit Myanmar's Economy And Its People. Retrieved from <https://www.worldbank.org/en/news/press-release/2024/12/11/compounding-crises-hit-myanmar-s-economy-and-its-people>
- 105 Bissinger, J. (2025, March 11). Challenges And Priorities For Myanmar's Conflicted Economy. Fulcrum. Retrieved from <https://fulcrum.sg/challenges-and-priorities-for-myanmars-conflicted-economy/>
- 106 Yoma Strategic Holdings Ltd. (2024, July 30). Minutes of The Annual General Meeting Of The Company Held At Sophia Cooke Ballroom, Level 2, YWCA Fort Canning, 6 Fort Canning Road. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/09/20240830-YSH-Annt-attach-Minutes-of-AGM-held-on-30-July-2024.pdf>
- 107 Justice For Myanmar. (2022, December 20). IFC Divesting From Yoma Bank After its Business With Military Companies Exposed. Retrieved from <https://www.justiceformyanmar.org/press-releases/ifc-divesting-from-yoma-bank-after-its-business-with-military-companies-exposed>
- 108 Mathieson, D. S. (2024, June 6). Junta Waging War On Myanmar's Doom-Loop Economy. Asia Times. Retrieved from <https://asiatimes.com/2024/06/junta-waging-war-on-myanmars-doom-loop-economy/#>
- 109 Ibid.
- 110 SCMlegal. (2024, August 8). CBM Allows Exporters To Keep More Foreign Currency. Retrieved from <https://www.scm-legal.com/post/cbm-allows-exporters-to-keep-more-foreign-currency#:~:text=Back%20in%20December%202023%2C%20the,and%2050%25%20in%20July%202023>
- 111 Aung, S. M. T. (2025, January 17). Myanmar's Silent Disease: How Everyday Bribery Fuels Autocratic Control. Fulcrum. Retrieved from <https://fulcrum.sg/myanmars-silent-disease-how-everyday-bribery-fuels-autocratic-control/>
- 112 Planetary Security Initiative (PSI). (2025, January 29). Interview With Wilfred Boerrigter, Mandalay Yoma Energy. Retrieved from <https://www.planetarysecurityinitiative.org/index.php/news/interview-wilfred-boerrigter-mandalay-yoma-energy>
- 113 Chew, P. (2024, March 7). Yoma Strategic Holdings Ltd – Capitalising On The New Challenges. Poems. Retrieved from <https://www.poems.com.sg/stock-research/YMS.SG/yoma-strategic-holdings-ltd-capitalising-on-the-new-challenges/>
- 114 Ibid.
- 115 Frontier Myanmar. (2024, July 19). 'No Future Here': Youth Exodus Leads To Labour Shortage. Retrieved from <https://www.frontiermyanmar.net/en/no-future-here-youth-exodus-leads-to-labour-shortage/>
- 116 Yoma Strategic Holdings Ltd. (2024). Earnings Results 12M-Mar2024 & 6M-Mar2024. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/05/YomaAnalystBriefingSlides31March2024Final-1.pdf>
- 117 Tan, F. (2021, May 14). Yoma Goes Deeper Into The Red With Net Loss Of US\$21.6 mil For 1H21. Yahoo Finance. Retrieved from <https://sg.finance.yahoo.com/news/yoma-goes-deeper-red-net-072913013.html>
- 118 The Irrawaddy. (2021, March 12). Asian Development Bank To Halt Funding For Myanmar Government Projects. Retrieved from https://www.irrawaddy.com/news/burma/asian-development-bank-halt-funding-myanmar-government-projects.html#google_vignette
- 119 Justice For Myanmar. (2021, March 24). Land Lease Payments Tie Japanese Gov And Investors To Myanmar's Military. Retrieved from <https://www.justiceformyanmar.org/stories/land-lease-payments-tie-japanese-gov-and-investors-to-myanmars-military>
- 120 Justice For Myanmar. (2022, November 25). Yoma Bank Providing Services To Myanmar Military Telco, Mytel. Retrieved from <https://www.justiceformyanmar.org/press-releases/yoma-bank-providing-services-to-myanmar-military-telco-mytel>
- 121 Myint, J., & Han, Y. (2021, January 21). U.S. Department of Commerce Adds Mytel to BIS Entities List. US-Asean Business School. Retrieved from <https://www.usasean.org/article/us-department-commerce-adds-mytel-bis-entities-list>
- 122 Justice For Myanmar. (2022, November 25). Yoma Bank Providing Services To Myanmar Military Telco, Mytel. Retrieved from <https://www.justiceformyanmar.org/press-releases/yoma-bank-providing-services-to-myanmar-military-telco-mytel>
- 123 Exchange-Rates.Org. (n.d.). Live Currency Exchange Converter. Retrieved from <https://www.exchange-rates.org>
- 124 Justice For Myanmar. (2021, April 21). Justice For Myanmar calls on Yoma Bank shareholders IFC, GIC and Norfund to take urgent action following loan to Min Aung Hlaing's daughter for military business. Progressive Voice. Retrieved from https://progressivevoicemyanmar.org/2021/04/21/justice-for-myanmar-calls-on-yoma-bank-shareholders-ifc-gic-and-norfund-to-take-urgent-action-following-loan-to-min-aung-hlaings-daughter-for-military-business/?utm_source=chatgpt.com

- 125 Justice For Myanmar. (2022, November 25). Yoma Bank Providing Services To Myanmar Military Telco, Mytel. Retrieved from <https://www.justiceformyanmar.org/press-releases/yoma-bank-providing-services-to-myanmar-military-telco-mytel>
- 126 Abuza, Z. (2024, June 16). Myanmar's Junta Takes Desperate Measures To Stem Capital Flight. Radio Free Asia. Retrieved from <https://www.rfa.org/english/commentaries/myanmar-junta-capital-flight-06162024104025.html>
- 127 Justice For Myanmar. (2022, November 25). Yoma Bank Providing Services To Myanmar Military Telco, Mytel. Retrieved from <https://www.justiceformyanmar.org/press-releases/yoma-bank-providing-services-to-myanmar-military-telco-mytel>
- 128 Yoma Strategic Holdings Ltd. (n.d). Yoma To Redevelop Old Yangon Rail HQ. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/20-Nov-2012-Yoma-to-redevelop-old-Yangon-rail-HQ.pdf>
- 129 Aung, H. (2023, May 29). Resumed Development Of Yangon Commercial Multiplex Risks Funding Military Junta, Activists Say. Myanmar Now. Retrieved from <https://myanmar-now.org/en/news/resumed-development-of-yangon-commercial-multiplex-risks-funding-military-junta-activists-say/>
- 130 Eyes on Asia. (n.d.). Yangon – A City Profile. Retrieved from <https://www.eyeonasia.gov.sg/asean-countries/know/overview-of-asean-countries/yangon-a-city-profile/>
- 131 Yoma Strategic Holdings Ltd. (2018). Annual Report 2018. Retrieved from https://yomastrategic.com/wp-content/uploads/2021/03/YOMA_AR-FY2018.pdf
- 132 Aung, H. (2023, May 29). Resumed Development Of Yangon Commercial Multiplex Risks Funding Military Junta, Activists Say. Myanmar Now. Retrieved from <https://myanmar-now.org/en/news/resumed-development-of-yangon-commercial-multiplex-risks-funding-military-junta-activists-say/>
- 133 Chew, P. (2024, March 7). Yoma Strategic Holdings Ltd – Capitalising On The New Challenges. Poems. Retrieved from <https://www.poems.com.sg/stock-research/YMS.SG/yoma-strategic-holdings-ltd-capitalising-on-the-new-challenges/>
- 134 Aung, H. (2023, May 29). Resumed Development Of Yangon Commercial Multiplex Risks Funding Military Junta, Activists Say. Myanmar Now. Retrieved from <https://myanmar-now.org/en/news/resumed-development-of-yangon-commercial-multiplex-risks-funding-military-junta-activists-say/>
- 135 Ibid.
- 136 Aung, N. (2023, August 2023). Junta Fills Coffers With Private Bank Magnates' Bond Purchases. Myanmar Now. Retrieved from <https://myanmar-now.org/en/news/exposing-the-juntas-efforts-to-finance-its-war-on-myanmars-people/>
- 137 Ibid.
- 138 Ibid.
- 139 Justice For Myanmar. (2022, November 2). ANZ, UOB Among International Banks Transacting With Myanmar Military Owned Innwa Bank. Retrieved from <https://www.justiceformyanmar.org/stories/anz-uob-among-international-banks-transacting-with-myanmar-military-owned-innwa-bank>
- 140 Ibid.
- 141 Justice For Myanmar. (2022, December 20). IFC Divesting from Yoma Bank After Its Business With Military Companies Exposed. Retrieved from <https://www.justiceformyanmar.org/press-releases/ifc-divesting-from-yoma-bank-after-its-business-with-military-companies-exposed>.
- 142 Ibid.
- 143 Real Estate Asia. (2024, June). Yoma Land Takes Home Myanmar's Developer Of The Year And Green Technology Initiative Of The Year Accolades. Retrieved from <https://www.realestateasia.com/co-written-partner/event-news/yoma-land-takes-home-myanmars-developer-year-and-green-technology-initiative-year-accolades>
- 144 Aung, H. M. (2024, March 18). Environmental Degradation And The Future Of Myanmar. The London School of Economics and Political Science. Retrieved from <https://blogs.lse.ac.uk/southasia/2024/03/18/environment-degradation-and-the-future-of-myanmar/>
- 145 Ibid.
- 146 Kyaw, Y. H., & Sin, K., & Bissinger, J., & Aung, S. M. T., & Thuzar, M. (2025, January 27). Myanmar In 2025: Change Or Plus ça Change? Fulcrum. Retrieved from <https://fulcrum.sg/myanmar-in-2025-change-or-plus-ca-change/>
- 147 Ibid.
- 148 Ibid.

- 149 Council of the European Union. (2024, December 4). EU Sanctions Against Myanmar. Retrieved from <https://www.consilium.europa.eu/en/policies/sanctions-against-myanmar/>
- 150 Ibid.
- 151 Gilroy, T., et. al. (2023, November 7). US, UK, and Canada Impose Further Coordinated Sanctions Against Myanmar. BakerMcKenzie. Retrieved from https://sanctionsnews.bakermckenzie.com/us-uk-and-canada-impose-further-coordinated-sanctions-against-myanmar/?utm_source=chatgpt.com
- 152 Justice For Myanmar. (2022, December 20). IFC Divesting From Yoma Bank After Its Business With Military Companies Exposed. Retrieved from <https://www.justiceformyanmar.org/press-releases/ifc-divesting-from-yoma-bank-after-its-business-with-military-companies-exposed>
- 153 Justice For Myanmar. (2021, April 21). Justice For Myanmar Calls On Yoma Bank Shareholders IFC, GIC, And Norfund To Take Urgent Action Following Loan To Min Aung Hlaing's Daughter For Military Business. Retrieved from <https://progressivevoicemyanmar.org/2021/04/21/justice-for-myanmar-calls-on-yoma-bank-shareholders-ifc-gic-and-norfund-to-take-urgent-action-following-loan-to-min-aung-hlaings-daughter-for-military-business/>
- 154 Ibid.
- 155 Ibid.
- 156 Hein, H. Z. (2024, August 22). Hyper-Aggressive Monetary Expansion Kicks Into Overdrive in Myanmar. The Irrawaddy. Retrieved from <https://www.irrawaddy.com/business/hyper-aggressive-monetary-expansion-kicks-into-overdrive-in-myanmar.html>
- 157 Ibid.
- 158 Reuters. (2024, August 21). Myanmar households crippled as currency tumbles to record low. Reuters. Retrieved from https://www.reuters.com/markets/asia/myanmar-households-crippled-currency-tumbles-record-low-2024-08-21/?utm_source=chatgpt.com
- 159 World Bank Group. (2024, June 12). Threat To Livelihoods Deepens As Myanmar Economic Outlook Remains Weak. Retrieved from <https://www.worldbank.org/en/news/press-release/2024/06/12/threat-to-livelihoods-deepens-as-myanmar-economic-outlook-remains-weak>
- 160 World Bank Group. (2023, December 12). Myanmar Economic Recovery Falters As Conflict And Inflation Weigh. Retrieved from <https://www.worldbank.org/en/news/press-release/2023/12/12/economic-recovery-falters-as-conflict-and-inflation-weigh>
- 161 Zhu, M. (2024, November 13). Yoma's H1 Net Loss Deepens To US\$11 million On Forex Headwinds. The Business Times. Retrieved from <https://www.businesstimes.com.sg/companies-markets/yomas-h1-net-loss-deepens-us11-million-forex-headwinds>
- 162 World Bank Group. (2024, June). Myanmar Economic Monitor: Livelihoods Under Threat. Retrieved from <https://thedocs.worldbank.org/en/doc/4a3168f50b0e4e216993c9aa6ab3fe25-0070012024/original/MEM-JUNE-2024-Livelihoods-under-Threat.pdf>
- 163 Minichart. (2024). Yoma Strategic Reports US\$95.2M Revenue Amid Myanmar Currency Challenges In H1 FY2025. Retrieved from <https://www.minichart.com.sg/2024/11/13/yoma-strategic-reports-us95-2m-revenue-amid-myanmar-currency-challenges-in-h1-fy2025/>
- 164 Yoma Strategic Holdings Ltd. (2025, May 21). Condensed interim financial statements for six months ended 31 March 2025 and twelve months ended 31 March 2025. Retrieved from <https://links.sgx.com/FileOpen/YomaCondenseInterimResultsAnnouncementFY31Mar2025Final.ashx?App=Announcement&FileID=846199>
- 165 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 166 Industriall. (2022, September 16). Responsible business Not Possible In Myanmar: Report. Retrieved from <https://www.industriall-union.org/responsible-business-not-possible-in-myanmar-report>
- 167 Ethical Trading Initiative. (2022, September 12). Myanmar: Ethical Trading Initiative Assessment Urges Brands To Consider Responsible Exit In The Face of 'Gross Human Rights Abuses'. Business & Human Rights Resource Centre. Retrieved from <https://www.business-humanrights.org/en/latest-news/myanmar-ethical-trading-initiative-assessment-urges-brands-to-consider-responsible-exit-in-the-face-of-gross-human-rights-abuses/>
- 168 Ibid.
- 169 United Nations Human Rights Office of the High Commissioner. (2019, August 5). UN Fact-Finding Mission On Myanmar Exposes Military Business Ties, Calls For Targeted Sanctions And Arms Embargoes. Retrieved from <https://www.ohchr.org/en/press-releases/2019/08/un-fact-finding-mission-myanmar-exposes-military-business-ties-calls>

- 170 Byrd, M. (n.d.). Myanmar Economy In Tailspin, 2 Years After The Military Coup. Asia-Pacific Center for Security Studies. Retrieved from <https://dkiapcss.edu/myanmar-economy-in-tailspin-2-years-after-the-military-coup/>
- 171 Yoma Strategic Holdings. (2024). Annual Report 2024. Retrieved from: <https://yomastrategic.com/wp-content/uploads/2024/07/20240715-YSH-Annt-i-attch-Annual-Report-2024.pdf>
- 172 World Bank Group. (2024, June 12). Threat To Livelihoods Deepens As Myanmar Economic Outlook Remains Weak. Retrieved from <https://www.worldbank.org/en/news/press-release/2024/06/12/threat-to-livelihoods-deepens-as-myanmar-economic-outlook-remains-weak>
- 173 Yoma Strategic Holdings Ltd. (2024, July 24). Press Release: Yoma Strategic Announces Leadership Transition. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/YomaPressReleaseLeadershipTransition24July2024Final.pdf>
- 174 Yoma Strategic Holdings Ltd. (2024, July 24). Change – Announcement of Cessation:: Cessation of Mr. Serge Pun as the Executive Chairman. Retrieved from https://yomastrategic.com/wp-content/uploads/2024/07/Change-Announcement-of-Cessation__Cessation-of-Mr.-Serge-Pun-as-the-Executive-Chairman.pdf
- 175 The Edge Singapore. (2024, July 24). Serge Pun Steps Down As Chairman Of Yoma, Son To Succeed Him. Retrieved from <https://www.theedgesingapore.com/news/corporate-moves/serge-pun-steps-down-chairman-yoma-son-succeed-him>
- 176 Yoma Strategic Holdings Ltd. (2024, August 9). Change – Announcement of Appointment:: Appointment Of Mr. Pun Chi Yam Cyrus As An Executive Director. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/08/20240809-YSH-Appoint-Cyrus-as-an-ED.pdf>
- 177 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 178 Mizzima. (2024, September 10). Serge Pun Resigns As Chairman Of First Myanmar Investment. Retrieved from <https://eng.mizzima.com/2024/09/10/13793>
- 179 Yoma Strategic Holdings Ltd. (2024, July 24). Press Release: Yoma Strategic Announces Leadership Transition. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/YomaPressReleaseLeadershipTransition24July2024Final.pdf>
- 180 Yoma Strategic Holdings Ltd. (2024). Annual Report 2024. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/20240715-YSH-Annt-i-attch-Annual-Report-2024.pdf>
- 181 Ibid.
- 182 Yoma Strategic Holdings Ltd. (n.d.). Annual Report. Retrieved from <https://yomastrategic.com/investors/annual-report/>
- 183 Yoma Strategic Holdings Ltd. (2024, July 24). Change In Board Composition. Retrieved from <https://links.sgx.com/FileOpen/YSH-Change%20in%20Board%20Composition.ashx?App=Announcement&FileID=812726>
- 184 Yoma Strategic Holdings Ltd. (2024). Annual Report 2024. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/20240715-YSH-Annt-i-attch-Annual-Report-2024.pdf>
- 185 Ibid.
- 186 Ibid.
- 187 Yoma Strategic Holdings Ltd. (2024, July 24). Change In Board Composition. Retrieved from <https://links.sgx.com/FileOpen/YSH-Change%20in%20Board%20Composition.ashx?App=Announcement&FileID=812726>
- 188 Monetary Authority of Singapore (MAS) (2018, August 6). Code Of Corporate Governance 2018. Retrieved from <https://www.mas.gov.sg/-/media/mas/regulations-and-financial-stability/regulatory-and-supervisory-framework/corporate-governance-of-listed-companies/code-of-corporate-governance-6-aug-2018.pdf>
- 189 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 190 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 191 Singapore Business Review. (2013). Yoma Strategic Holdings Names Melvyn Pun Chi Tung As Alternate Director. Retrieved from <https://sbr.com.sg/commercial-property/people/yoma-strategic-holdings-names-melvyn-pun-chi-tung-alternate-director>
- 192 Today. (2018, January 17). This Ex-Goldman Banker Quit To Take Over An Empire In Myanmar. Retrieved from <https://www.todayonline.com/singapore/ex-goldman-banker-quit-take-over-empire-myanmar>
- 193 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 194 Yoma Strategic Holdings Ltd. (2024, August 9). Change Announcement Of Appointment: Appointment Of Mr. Pun Chi Yam Cyrus As An Executive Director. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/08/20240809-YSH-Appoint-Cyrus-as-an-ED.pdf>
- 195 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>.

- 196 The Org. (n.d.). Cyrus Pun Chi Yam - Alternate Director At Yoma Strategic Holdings. Retrieved from <https://theorg.com/org/yomastrategic/org-chart/cyrus-pun-chi-yam>
- 197 Ibid.
- 198 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 199 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 200 Wong, S. Y. (n.d.). Board Director. Retrieved from <https://www.suyenwong.com/board-director>
- 201 Ibid.
- 202 City Developments Ltd. (2025, 9 February). Change – Announcement of appointment: Appointment of independent non-executive director – City Development Limited. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/PFN2NOFLCW0YMN8D/#:~:text=Ms%20Wong%20Su%20Yen%20has,re%2Ddesign%20and%20risk%20management.>
- 203 INSEAD. (n.d.). Su-Yen Wong Biography. Retrieved from <https://www.insead.edu/bio/su-yen-wong>
- 204 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 205 Ibid.
- 206 Yoma Strategic Holdings Ltd. (2016, 19 May). Change Announcement Of Appointment: Appointment Of NonExecutive Independent Director. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/19-May-2016-Appointment-of-Non-Executive-Independent-Director.pdf>
- 207 Asia Inc Forum. (n.d.). Dato Paduka Timothy Ong Teck Mong. Retrieved from https://www.asiaincforum.com/documents/nbc_profiles/timothy_ong.pdf
- 208 Phinma. (n.d.). Dato Timothy Ong Teck Mong. Retrieved from <https://www.phinma.com.ph/director/dato-timothy-ong-teck-mong>
- 209 Bruneiresources.com. (n.d.). Mr. Timothy Ong. Retrieved from https://www.bruneiresources.com/profiles/timothy_ong.html
- 210 Asia Inc Forum. (n.d.). Dato Paduka Timothy Ong Teck Mong. Retrieved from https://www.asiaincforum.com/documents/nbc_profiles/timothy_ong.pdf
- 211 Asia Inc Forum. (n.d.). Our Impact. Retrieved from <https://asiaincforum.com/impact/>
- 212 Yoma Strategic Holdings Ltd. (2024, July 30). Minutes Of The Annual General Meeting (“AGM” or “Meeting”) Of The Company Held At Sophia Cooke Ballroom, Level 2, YWCA Fort Canning, 6 Fort Canning Road, Singapore 179494 On 30 July 2024 At 10.00 A.M. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/09/20240830-YSH-Annt-attach-Minutes-of-AGM-held-on-30-July-2024.pdf>.
- 213 Singapore Management University. (n.d.). Trailblazers. Retrieved from <https://lkygbpc.smu.edu.sg/trailblazers-old/mentors>
- 214 Ibid.
- 215 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 216 Ibid.
- 217 Securities and Futures Commission (Hong Kong). (2023, September 29). SFAT affirms SFC decision to ban Calvin Choi Chi Kin for two years. Retrieved from <https://apps.sfc.hk/edistributionWeb/api/news/list-content?refNo=23PR115&lang=EN>
- 218 AMTDInc. (2019, March 9). Directors and Executive officers. Retrieved from <https://web.archive.org/web/20250514013246/https://www.amtdinc.com/2019/03/21/directors-and-executive-officers/>
- 219 Ibid.
- 220 Ibid.
- 221 National Cancer Centre Singapore. (n.d.). NCC Research Fund. Retrieved from <https://www.nccs.com.sg/giving/Pages/NCC-Research-Fund.aspx>
- 222 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 223 CH Offshore Ltd. (2024, April 22). Change – Announcement Of Appointment: Re-designation of Independent Director To Non-independent Non-Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/TJGVVGEHOGKXBVGF/40eee272303b20563abe35f45fc9ff02ed39bbd1e0458bff46b37980c5b529dc>
- 224 Ibid.
- 225 Yoma Strategic Holdings Ltd. (2024, August 9). Change – Announcement Of Cessation:: Cessation of Mr. Alberto Macapinlac De Larrazabal As An Alternate Director. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/08/20240809-YSH-Cessation-of-Alberto-as-an-alternate-director-to-Jaime-Alfonso.pdf>

- 226 The Wall Street Journal. (n.d.) Ayala Corp. Retrieved from <https://www.wsj.com/market-data/quotes/PH/XPHS/AC/company-people/executive-profile/71703032>
- 227 Ibid.
- 228 Ibid.
- 229 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 230 Ibid.
- 231 Yoma Strategic Holdings Ltd. (2025, February 28). Change – Announcement Of Appointment:: Appointment Of Mr. Ho Seng Chee As Non-Executive Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/KFM7SWPB8HLH4L0S/>
- 232 Yoma Strategic Holdings Ltd. (n.d.). Our Leadership. Retrieved from <https://yomastrategic.com/our-leadership/>
- 233 Ibid.
- 234 Ibid.
- 235 Ibid.
- 236 Ibid.
- 237 Yoma Strategic Holdings Ltd. (2025, February 28). Changes In Board Composition. Retrieved from <https://links.sgx.com/FileOpen/YSH-Changes%20in%20Board%20Composition.ashx?App=Announcement&FileID=835083>
- 238 Ibid.
- 239 Ibid.
- 240 Ibid.
- 241 Ibid.
- 242 Yoma Strategic Holdings Ltd. (2024, August 19). Change – Announcement Of Mr. Jaime Alfonso Antonio Eder Zobel De Ayala As Non-Executive Non-Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/RG6WAVPTL4EFKFUY/>
- 243 Yoma Strategic Holdings Ltd. (2025, February 28). Changes In Board Composition. Retrieved from <https://links.sgx.com/FileOpen/YSH-Changes%20in%20Board%20Composition.ashx?App=Announcement&FileID=835083>
- 244 Yoma Strategic Holdings Ltd. (n.d.) Announcements. Retrieved from <https://yomastrategic.com/investors/announcements/>
- 245 Yoma Strategic Holdings Ltd. (2025, February 28). Change – Announcement Of Appointment: Appointment Of Mr. Ho Seng Chee As Non-Executive Independent Director. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/02/20250228-Annt-Appointment-of-Non-Executive-Independent-Director-1.pdf>
- 246 Singapore Exchange Limited. (2023, January 11). Transitional Practice Note 4 Transitional Arrangements Regarding The Tenure Limit For Independent Directors. Retrieved from <https://rulebook.sgx.com/rulebook/transitional-practice-note-4-transitional-arrangements-regarding-tenure-limit-independent>
- 247 Singapore Exchange Limited. (2023, January 11). News Release: SGX RegCo Caps Independent Directors' Tenure, Enhances Remuneration dDisclosures. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/2CKKREHCABLT6HTO/e09d49225337e5d6532de33e001b04d32dae773f74a4a0626debaa46ca38cf83>
- 248 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 249 Yoma Strategic Holdings. (2024, July 24). Change In Board Composition. Retrieved from <https://links.sgx.com/FileOpen/YSH-Change%20in%20Bo6r5ard%20Composition.ashx?App=Announcement&FileID=812726>
- 250 Ibid.
- 251 Singapore Institute of Directors. (2020, November 17). SID Corporate Governance Roundup 2020. Retrieved from https://sid.org.sg/images/PDFS/PD_pdfs/2020/CGRoundupProgramme_17Nov2020.pdf
- 252 Ibid.
- 253 YomaStrategicHoldingsLtd.(2025,July16).Change-AnnoucementofAppointment::Appointmentofnon-executiveindependentdirector – Yoma Strategic Holdings Ltd. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/805P7GWYQQYO1PWY/>
- 254 Portfolio. (2022, May 10). What's In My Portfolio: Poh Mui Hoon. Retrieved from <https://www.portfoliomagsg.com/article/whats-in-my-portfolio-poh-mui-hoon.html>

- 255 Singapore Institute of Directors (n.d.). Past Governing Council. Retrieved from: https://www.sid.org.sg/Web/Web/About/People-and-Partners/Past_Governing_Council.aspx
- 256 Yoma Strategic Holdings Ltd. (2015). Annual Report 2015. Retrieved from https://yomastrategic.com/wp-content/uploads/2021/03/Yoma_AR15_10-July-2015.pdf
- 257 Yoma Strategic Holdings Ltd. (2017, November 20). Change – Announcement of cessation:: Cessation of Mr. Basil Chan as non-executive independent director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/3KUKU9K7YZQQIIEC/3b8d82ae8d4f9658c6655ee4b277d8a7694697db38af1b13456cb5f1df66ff3f>
- 258 TheOrg. (n.d.). Basil Chan – Director At Nera Telecommunications. Retrieved from <https://theorg.com/org/nera-telecommunications/org-chart/basil-chan>
- 259 Ibid.
- 260 Salim, S. (2025, February 28). New CDL Directors Won't Exercise Powers Until Court's Further Notice: Kwek Leng Beng. The Straits Times. Retrieved from <https://www.straitstimes.com/business/two-new-cdl-directors-wont-exercise-any-powers-until-further-notice-from-court-says-kwek-leng-beng>
- 261 Mak, Y. T. (2025, March 18). Is It Time For Singapore To Have A New Organisation For Company Directors? Governance For Stakeholders. Retrieved from <https://governanceforstakeholders.com/2025/03/18/is-it-time-for-singapore-to-have-a-new-organisation-for-company-directors/>
- 262 Wong, S. Y. (2023, September 7) Championing Good Governance. Singapore Institute of Directors. Retrieved from https://www.sid.org.sg/Web/Web/About/News-and-Press/News-2023/2023-09-07_BT_Championing_good_governance.aspx
- 263 Mak, Y. T. (2025, March 18). Is It Time For Singapore To Have A New Organisation For Company Directors? Governance For Stakeholders. Retrieved from <https://governanceforstakeholders.com/2025/03/18/is-it-time-for-singapore-to-have-a-new-organisation-for-company-directors/>
- 264 Yoma Strategic Holdings Ltd. (2015, July 27). Resolutions passed at the Extraordinary General Meeting (“EGM”) held on 27 July 2015. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/27-Jul-2015-Resolutions-Passed-at-the-Extraordinary-General-Meeting-%E2%80%9CEGM%E2%80%9D-Held-on-27-July-2015.pdf>
- 265 Ibid.
- 266 Yoma Strategic Holdings Ltd. (n.d.). Announcements. Retrieved from <https://yomastrategic.com/investors/announcements/>
- 267 Singapore Institute of Directors (SID). (2018). Corporate Governance Guides For Boards in Singapore: Remuneration Committee Guide. Retrieved from <https://www.sid.org.sg/SID-eGuide/EGuide2023/eGuidebooks/Remuneration-Committee-Guide.aspx>
- 268 Singapore Institute of Directors. (2018). Remuneration Committee Guide (3rd ed.). Write Editions. Retrieved from <https://sid.org.sg/SID-eGuide/SID-eGuide/eGuidebooks/Remuneration-Committee-Guide.aspx?hkey=4795812c-68e0-4fa1-90d4-85c1f9b1891b>
- 269 Mak, Y. T. (2024, June). Big Fair Value Gain For Investment Properties. LinkedIn. Retrieved from https://www.linkedin.com/posts/yuen-teen-mak-88b34a15_big-fair-value-gain-for-investment-properties-activity-7201537376781836288-MWlz/?utm_source=share&utm_medium=member_ios&rcm=ACoAADq9AzMBRyDwwQ_TY4Cu_GxdwDOdxlYPLU8#
- 270 Yoma Strategic Holdings Ltd. (2015, July 10). Circular to Shareholders. at p. 10, para. 4.2(a)(b). Retrieved from https://links.sgx.com/FileOpen/Yoma_Circular_10%20July%202015.ashx?App=ArchiveAnnouncement&FileID=359595&AnncID=G2KQW90O2XX2V6TX
- 271 Ibid.
- 272 Ibid.
- 273 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 274 Yoma Strategic Holdings Ltd. (2017). Annual Report 2017. Retrieved from https://yomastrategic.com/wp-content/uploads/2021/03/Yoma_Annual_Report_2017.pdf
- 275 Yoma Strategic Holdings Ltd. (2021, January 13). Notice of Annual General Meeting. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/03/13-January-2021-Notice-of-AGM.pdf>
- 276 Yoma Strategic Holdings Ltd. (2021, January 29). Results of Annual General Meeting held on 29 January 2021. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/03/29-January-2021-Results-on-AGM.pdf>
- 277 Ibid.
- 278 Yoma Strategic Holdings Ltd. (2023, July 11). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/YSH-Notice%20of%20AGM%20FP2023.ashx?App=Announcement&FileID=765073>

- 279 Ibid.
- 280 Yoma Strategic Holdings Ltd. (2023, July 27). Minutes of the Annual General Meeting (The “AGM” Or The “Meeting”) of the company held at Sophia Cooke Ballroom, Level 2, YWCA Fort Canning, 6 Fort Canning Road, Singapore 179494 on 27 July 2023 at 10.00 A.M. Retrieved from https://links.sgx.com/FileOpen/YSH_Minutes%20of%20AGM%2020230727.ashx?App=Announcement&FileID=770692
- 281 Yoma Strategic Holdings Ltd. (2024, May 29). Issuance and allotment of new ordinary shares pursuant to vesting of share awards under the Yoma Strategic Holdings Performance Share Plan. Retrieved from <https://links.sgx.com/FileOpen/YSH-Annt-Issuance%20and%20Allotment%20of%20PSP.ashx?App=Announcement&FileID=805040>
- 282 Yoma Strategic Holdings Ltd. (2025, August 1). Issuance and allotment of new ordinary shares pursuant to vesting of share awards under the Yoma Performance Share Plan 2015. Retrieved from <https://links.sgx.com/FileOpen/YSH-Allotment%20and%20Issuance%20of%20PSP.ashx?App=Announcement&FileID=854119>
- 283 Ibid.
- 284 Thia, G. (2025, August 1). Securities And Futures Act (Cap. 289) Securities And Futures (Disclosure of Interests) Regulations 2012 Notification Form for Director/Chief Executive Officer in respect of interests in securities. Retrieved from https://links.sgx.com/FileOpen/_Form%201-GT_1%20Aug%202025.ashx?App=Announcement&FileID=854127
- 285 Koh, A. (2025, August 1). Securities And Futures Act (Cap. 289) Securities And Futures (Disclosure of Interests) Regulations 2012 Notification Form for Director/Chief Executive Officer in respect of interests in securities. Retrieved from https://links.sgx.com/FileOpen/_Form%201-AK_1%20Aug%202025.ashx?App=Announcement&FileID=854125
- 286 Yoma Strategic Holdings Ltd. (2024, July 15). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/YSH-Notice%20of%20AGM.ashx?App=Announcement&FileID=809766>
- 287 Yoma Strategic Holdings Ltd. (2023). Annual Report 2023 (Financial Period from 1 October 2021 to 31 March 2023). Retrieved from <https://links.sgx.com/FileOpen/YSH-Annual%20Report%202023.ashx?App=Announcement&FileID=765071>
- 288 Ibid.
- 289 Ibid.
- 290 Yoma Strategic Holdings Ltd. (2017). Annual Report 2017. p. 59. Retrieved from https://yomastrategic.com/wp-content/uploads/2021/03/Yoma_Annual_Report_2017.pdf
- 291 Yoma Strategic Holdings Ltd. (2023). Annual Report 2023. p.93. Retrieved from <https://yomastrategic.com/wp-content/uploads/2023/07/YSH-Annual-Report-2023.pdf>
- 292 Yoma Strategic Holdings Ltd. (2024). Annual Report 2024. p.81. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/20240715-YSH-Annt-i-attch-Annual-Report-2024.pdf>
- 293 Yoma Strategic Holdings Ltd. (2015, July 10). Notice of Annual General Meeting. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/10-Jul-2015-Notice-of-Annual-General-Meeting.pdf>
- 294 Yoma Strategic Holdings Ltd. (2015, July 27). Results of Annual General Meeting held on 27 July 2015. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/27-Jul-2015-Resolutions-Passed-at-the-Annual-General-Meeting-%E2%80%9CAGM%E2%80%9D-Held-on-27-July-2015.pdf>
- 295 Yoma Strategic Holdings Ltd. (2016, July 11). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/Yoma%20Notice%20of%20AGM.ashx?App=ArchiveAnnouncement&FileID=414038&AnncID=QSQGREDLCQ406LAT>
- 296 Yoma Strategic Holdings Ltd. (2016, July 26). Results of Annual General Meeting held on 26 July 2016. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/26-Jul-2016-Results-of-Annual-General-Meeting.pdf>
- 297 Yoma Strategic Holdings Ltd. (2017). Annual Report 2017. p. 59. Retrieved from https://yomastrategic.com/wp-content/uploads/2021/03/Yoma_Annual_Report_2017.pdf
- 298 Yoma Strategic Holdings Ltd. (2016, November 8). Grant of share awards pursuant to Yoma Performance Share Plan. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/08-Nov-2016-Grant-of-Share-Awards-Pursuant-to-Yoma-Performance-Share-Plan.pdf>
- 299 Yoma Strategic Holdings Ltd. (2017, July 4). Notice of Annual General Meeting. Retrieved from https://links.sgx.com/FileOpen/Yoma_Notice_of_Annual%20General%20Meeting.ashx?App=ArchiveAnnouncement&FileID=464021&AnncID=0UX6OJ4NE7L9FBNE
- 300 Yoma Strategic Holdings Ltd. (2017, July 26). Results of Annual General Meeting held on 4 July 2017. Retrieved from https://links.sgx.com/FileOpen/Yoma_Results_of_AGM_26_July_2017.ashx?App=ArchiveAnnouncement&FileID=464023&AnncID=0UX6OJ4NE7L9FBNE

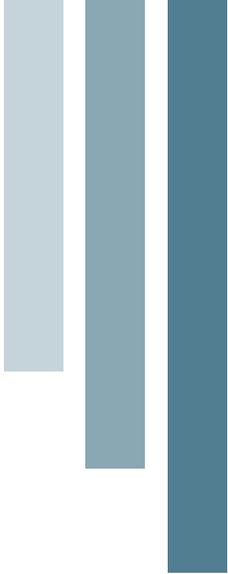
- 301 Yoma Strategic Holdings Ltd. (2018, July 9). Notice of Annual General Meeting. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/09-Jul-2018-Annual-General-Meeting.pdf>
- 302 Yoma Strategic Holdings Ltd. (2018, July 24). Results of Annual General Meeting held on 24 July 2018. Retrieved from <https://links.sgx.com/FileOpen/Yoma%20Results%20of%20AGM%2024%20July%202018.ashx?App=ArchiveAnnouncement&FileID=517377&AnncID=04U0SPSDN5UXB0TJ>
- 303 Yoma Strategic Holdings Ltd. (2019, July 9). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/Yoma%20Notice%20of%20AGM%20FY19.ashx?App=ArchiveAnnouncement&FileID=571457&AnncID=TTF3M7NB3NYNPF08>
- 304 Yoma Strategic Holdings Ltd. (2019, July 24). Results of Annual General Meeting held on 24 July 2019. Retrieved from <https://yomastrategic.com/wp-content/uploads/2021/04/24-Jul-2019-Results-of-FY2019-AGM.pdf>
- 305 Yoma Strategic Holdings Ltd. (2021, January 13). Notice of Annual General Meeting. Retrieved from https://links.sgx.com/FileOpen/Yoma-AGM_29%20Jan_Notice.ashx?App=Announcement&FileID=645019
- 306 Yoma Strategic Holdings Ltd. (2021, January 29). Results of Annual General Meeting held on 29 January 2021. Retrieved from <https://links.sgx.com/FileOpen/Yoma%20Results%20of%20AGM%2029%20January%202021%20-%20final.ashx?App=Announcement&FileID=646625>
- 307 Yoma Strategic Holdings Ltd. (2021, January 13). Notice of Annual General Meeting. Retrieved from https://links.sgx.com/FileOpen/Yoma-AGM_29%20Jan_Notice.ashx?App=Announcement&FileID=645019
- 308 Yoma Strategic Holdings Ltd. (2021, January 29). Results of Annual General Meeting held on 29 January 2021. Retrieved from <https://links.sgx.com/FileOpen/Yoma%20Results%20of%20AGM%2029%20January%202021%20-%20final.ashx?App=Announcement&FileID=647699>
- 309 Yoma Strategic Holdings Ltd. (2022, January 12). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/Yoma-Notice%20of%20AGM.ashx?App=Announcement&FileID=697436>
- 310 Yoma Strategic Holdings Ltd. (2022, January 28). Results of Annual General Meeting held on 28 January 2022. Retrieved from <https://links.sgx.com/FileOpen/YSH%20Results%20Announcement%2028%20Jan%202022.ashx?App=Announcement&FileID=699474>
- 311 Yoma Strategic Holdings Ltd. (2023, July 11). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/YSH-Notice%20of%20AGM%20FP2023.ashx?App=Announcement&FileID=765073>
- 312 Yoma Strategic Holdings Ltd. (2023, July 27). Results of Annual General Meeting held on 27 July 2023. Retrieved from https://links.sgx.com/FileOpen/YSH_Results%20of%20AGM%202023.ashx?App=Announcement&FileID=766758
- 313 Yoma Strategic Holdings Ltd. (2023). Annual Report 2023. p.93. Retrieved from <https://yomastrategic.com/wp-content/uploads/2023/07/YSH-Annual-Report-2023.pdf>.
- 314 Yoma Strategic Holdings Ltd. (2021, November 29). Grant of share awards pursuant to the Yoma Strategic Holdings Performance Share Plan. Retrieved from <https://links.sgx.com/FileOpen/YomaGrantOfPSPShares.ashx?App=Announcement&FileID=692385>
- 315 Yoma Strategic Holdings Ltd. (2023, July 11). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/YSH-Notice%20of%20AGM%20FP2023.ashx?App=Announcement&FileID=765073>
- 316 Yoma Strategic Holdings Ltd. (2023, July 27). Results of Annual General Meeting held on 27 July 2023. Retrieved from https://links.sgx.com/FileOpen/YSH_Results%20of%20AGM%202023.ashx?App=Announcement&FileID=766758
- 317 Yoma Strategic Holdings Ltd. (2024). Annual Report 2024. p.81. Retrieved from <https://yomastrategic.com/wp-content/uploads/2024/07/20240715-YSH-Annt-i-attch-Annual-Report-2024.pdf>
- 318 Yoma Strategic Holdings Ltd. (2023, May 28). Grant of share awards pursuant to the Yoma Strategic Holdings Performance Share Plan. Retrieved from https://links.sgx.com/FileOpen/YSH_Grant%20of%20PSP%20Awards_May%202023.ashx?App=Announcement&FileID=760788
- 319 Yoma Strategic Holdings Ltd. (2024, July 15). Notice of Annual General Meeting. Retrieved from <https://links.sgx.com/FileOpen/YSH-Notice%20of%20AGM.ashx?App=Announcement&FileID=809766>
- 320 Yoma Strategic Holdings Ltd. (2023, July 27). Results of Annual General Meeting held on 30 July 2024. Retrieved from <https://links.sgx.com/FileOpen/YSH-Results%20of%20AGM%202024.ashx?App=Announcement&FileID=813442>
- 321 Noordin, K. F. (2024, June 11). Yoma Triggers SGX Query After Shares Surged By Over 30% (Update). Yahoo Finance. Retrieved from <https://sg.finance.yahoo.com/news/yoma-triggers-sgx-query-shares-011609544.html>
- 322 Ibid.
- 323 Zhu, M. (2024, June 12). Yoma Cites FY2024 Results And Media Reports As Potential Reasons For Unusual Trading. The Straits Times. Retrieved from <https://www.straitstimes.com/business/yoma-cites-fy2024-results-media-reports-as-potential-reasons-for-unusual-trading>

- 324 Noordin, K. F. (2024, June 11). Yoma Triggers SGX Query After Shares Surged By Over 30% (Update). Yahoo Finance. Retrieved from <https://sg.finance.yahoo.com/news/yoma-triggers-sgx-query-shares-011609544.html>
- 325 Myanmar Now. (2024, July 9). Serge Pun, One Of Myanmar's Top Tycoons, Detained In Naypyitaw. Retrieved from <https://myanmar-now.org/en/news/serge-pun-one-of-myanmars-top-tycoons-detained-in-naypyitaw/>
- 326 Yoma Strategic Holdings Ltd. (2024, July 11). Responses to the SGX-ST Query Regarding The Company's Announcement Dated 10 July 2024. Retrieved from <https://links.sgx.com/FileOpen/YSH-Responses%20to%20SGX-ST%20query%20on%2010%20July%202024.ashx?App=Announcement&FileID=809463>
- 327 Ibid.
- 328 Ibid.
- 329 Ibid.
- 330 Yoma Strategic Holdings Ltd. (2024, July 18). Responses To The SGX-ST Further Query Regarding The Company's Announcements Dated 10 And 11 July 2024. Retrieved from <https://links.sgx.com/FileOpen/YomaResponsesToSGXQueries18Jul2024.ashx?App=Announcement&FileID=810204>
- 331 Ibid.
- 332 Ibid.
- 333 Ibid.
- 334 Ibid.
- 335 Yoma Strategic Holdings Ltd. (2024, August 14). Responses To The SGX-ST's Query Dated 12 August 2024. Retrieved from <https://links.sgx.com/FileOpen/Yoma-Response%20to%20SGX%20Query%20dated%2012%20August%202024.ashx?App=Announcement&FileID=815726>
- 336 Ibid.
- 337 Ibid.
- 338 Ibid.
- 339 Ibid.
- 340 Ibid.
- 341 The Irrawaddy. (2024, August 16). Myanmar Junta Charges Tycoon Serge Pun With Money Laundering, Other Financial Crimes. Retrieved from <https://www.irrawaddy.com/business/myanmar-junta-charges-tycoon-serge-pun-with-money-laundering-other-financial-crimes.html>
- 342 Ibid.
- 343 Yoma Strategic Holdings Ltd. (2024, August 21). Responses to the SGX-ST's Query dated 19 August 2024 Regarding the Company's Announcement dated 18 August 2024. Retrieved from <https://links.sgx.com/FileOpen/YSH-Response%20to%20SGX%20Query%20dd%2019%20Aug%202024.ashx?App=Announcement&FileID=816451>
- 344 Ibid.
- 345 Ibid.
- 346 Ibid.
- 347 Yoma Strategic Holdings Ltd. (2024, August 21). Responses to the SGX-ST's Query dated 19 August 2024 Regarding the Company's Announcement dated 18 August 2024. Retrieved from <https://links.sgx.com/FileOpen/YSH-Response%20to%20SGX%20Query%20dd%2019%20Aug%202024.ashx?App=Announcement&FileID=816451>
- 348 Ibid.
- 349 Chan, C. P. (2019, November 16). Asian Investors Are Smarter, Says Yoma's Pun. Yahoo Finance. Retrieved from <https://sg.finance.yahoo.com/news/asian-investors-smarter-says-yoma-125819952.html>
- 350 Tan, N. L. (2021, December 30). Philippine Conglomerate Ayala To Take 20.2% Stake In Yoma Strategic. The Business Times. Retrieved from <https://www.businesstimes.com.sg/companies-markets/philippine-conglomerate-ayala-to-take-20.2-stake-in-yoma-strategic>
- 351 De Larrazabal, A. (2014, March 21). Securities and Futures Act (CAP. 289) Securities and Futures (Disclosure of Interests) Regulations 2012 notification form for substantial shareholder(s)/unitholder(s) in respect of interests in Yoma Strategic Holdings Ltd. Retrieved from https://links.sgx.com/FileOpen/_Form%203-Ayala.ashx?App=Announcement&FileID=812768

- 352 Yoma Strategic Holdings Ltd. (2025). Annual Report 2025. Retrieved from <https://yomastrategic.com/wp-content/uploads/2025/07/YSH-AR2025-HR.pdf>
- 353 Venzon, C. (2021, April 23). Philippines' Ayala Takes 'Long-Term' View On Myanmar Amid Crisis. Nikkei Asia. Retrieved from <https://asia.nikkei.com/Business/Companies/Philippines-Ayala-takes-long-term-view-on-Myanmar-amid-crisis>
- 354 Mak, Y. T. (2021). Corporate Governance Case Studies: Volume 10. CPA Australia. Retrieved from <https://governanceforstakeholders.com/wp-content/uploads/2021/10/cg-vol-10.pdf>
- 355 Ibid.
- 356 Ibid.
- 357 The Blue Circle. (2018, November 13). The Blue Circle Partners With Ayala Group To Develop, Own And Operate Renewable Energy Projects In Southeast Asia. Retrieved from <https://www.thebluecircle.sg/news-tbc/2018/11/13/the-blue-circle-partners-with-ayala-group-to-develop-own-and-operate-renewable-energy-projects-in-southeast-asia>
- 358 Rivera, D. (2018, May 24). AC Energy Invests In Australia Renewables Firm. The Philippine Star. Retrieved from <https://www.philstar.com/business/2018/05/24/1817964/ac-energy-invests-australia-renewables-firm>
- 359 The Philippine Star. (2013, October 9). Manila Water Unit Completes Acquisition Of Vietnam Water Firm. Retrieved from <https://www.philstar.com/business/2013/10/09/1242994/mla-water-unit-completes-acquisition-vietnam-water-firm>
- 360 Romero, A. (2019, December 4). Duterte Slams Water Concessionaries. The Philippine Star. Retrieved from <https://www.philstar.com/headlines/2019/12/04/1974134/duterte-slams-water-concessionaires>
- 361 Arcalas, J. E. (2024, May 18). Ayala Exits Manila Water. The Philippine Star. Retrieved from <https://www.philstar.com/business/2024/05/18/2355901/ayala-exits-manila-water>
- 362 Mak, Y. T. (2021). Corporate Governance Case Studies: Volume 10. CPA Australia. Retrieved from <https://governanceforstakeholders.com/wp-content/uploads/2021/10/cg-vol-10.pdf>
- 363 Logarta, C. (2014, April 4) A Closer Look At The Ayala Corporation, Philippines' Oldest Conglomerate. Tatler Asia. <https://www.tatlerasia.com/power-purpose/wealth/the-power-the-glory>
- 364 Mak, Y. T. (2021). Corporate Governance Case Studies: Volume 10. CPA Australia. Retrieved from <https://governanceforstakeholders.com/wp-content/uploads/2021/10/cg-vol-10.pdf>
- 365 Logarta, C. (2014, April 4) A Closer Look At The Ayala Corporation, Philippines' Oldest Conglomerate. Tatler Asia. <https://www.tatlerasia.com/power-purpose/wealth/the-power-the-glory>
- 366 Mak, Y. T. (2021). Corporate Governance Case Studies: Volume 10. CPA Australia. Retrieved from <https://governanceforstakeholders.com/wp-content/uploads/2021/10/cg-vol-10.pdf>
- 367 Endo, J. (2018, June 18). Ayala Shifts Focus Overseas With Aggressive Southeast Asia Push. Nikkei Asia. Retrieved from <https://asia.nikkei.com/Business/Companies/Ayala-shifts-focus-overseas-with-aggressive-Southeast-Asia-push>
- 368 Chan, C. P. (2019, November 16). Asian Investors Are Smarter, Says Yoma's Pun. Yahoo Finance. Retrieved from <https://sg.finance.yahoo.com/news/asian-investors-smarter-says-yoma-125819952.html>
- 369 Ngui, Y. (2019, November 14). Ayala Furthers Myanmar Expansion With Investment in Yoma. Bloomberg. Retrieved from <https://www.bloomberg.com/news/articles/2019-11-14/ayala-furthers-myanmar-expansion-with-investment-in-yoma>
- 370 Ibid.
- 371 Reuters. (2022, June 30). Japan's Kirin Exits Myanmar Business With Military-Linked Partner. Retrieved from <https://www.reuters.com/markets/deals/japans-kirin-exits-myanmar-business-with-military-linked-partner-2022-06-30/>
- 372 Phoonphongphiphat, A., & Sugiura, E. (2021, February 2). Thailand's Amata Halts \$1bn Myanmar Property Project After Coup. Nikkei Asia. Retrieved from <https://asia.nikkei.com/Spotlight/Myanmar-Crisis/Thailand-s-Amata-halts-1bn-Myanmar-property-project-after-coup>
- 373 Venzon, C. (2021, April 23). Philippines' Ayala Takes Long-Term View On Myanmar Amid Crisis. Nikkei Asia. Retrieved from <https://asia.nikkei.com/Business/Companies/Philippines-Ayala-takes-long-term-view-on-Myanmar-amid-crisis>
- 374 Ibid.
- 375 Tay, V. (2019, November 14). Yoma In The Red For Q2; Ayala Buys 20% Stake For US\$155m. The Business Times. Retrieved from <https://www.businesstimes.com.sg/companies-markets/yoma-red-q2-ayala-buys-20-stake-us155m>
- 376 Market Screener. (2022, November 10). Yoma Strategic Holdings Ltd. Announces Appointment Of Jaime Alfonso Antonio Eder Zobel De Ayala As Non-Independent Non-Executive Director. Retrieved from <https://www.marketscreener.com/quote/stock/>

YOMA-STRATEGIC-HOLDINGS-L-6812113/news/Yoma-Strategic-Holdings-Ltd-Announces-Appointment-of-Jaime-Alfonso-Antonio-Eder-Zobel-De-Ayala-as-N-42282913/

- 377 Yoma Strategic Holdings Ltd. (2024, August 9). Change In Board Composition. Retrieved from <https://links.sgx.com/FileOpen/YSH-Change%20in%20Board%20Composition.ashx?App=Announcement&FileID=814967>
- 378 Miyamoto International. (2025, March 28). 2025 Myanmar Earthquake: Initial Report. Retrieved from <https://miyamotointernational.com/2025-myanmar-earthquake-a-comprehensive-report/>
- 379 Latifi, A. M., & Goldberg, J. (2025, April 2). Myanmar Earthquake Worsens One Of The World's Largest And Most Neglected Humanitarian Crises. *The New Humanitarian*. Retrieved from <https://www.thenewhumanitarian.org/analysis/2025/04/02/myanmar-earthquake-worsens-one-worlds-largest-and-most-neglected-humanitarian>
- 380 Kang, W. C. (2025, March 30). Singapore Firms In Myanmar And Thailand Confirm Staff Are Safe, Little Or No Damage To Facilities. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/singapore-firms-in-myanmar-thailand-confirm-staff-are-safe-little-or-no-damage-to-facilities>



HATTEN LAND IN CONTROVERSY*

Case overview

In April 2023, the Singapore-listed Malaysian real estate developer Hatten Land Limited (HL) announced plans to resume its long-delayed Harbour City project in Melaka. Originally slated for completion in 2020, the delay had been cause of much protest – to the extent that 80 property buyers and investors had initiated a physical demonstration against HL at the site of another of its projects. HL had also received multiple letters of demand from creditors since 2022.

Stakeholders' concerns have remained largely unresolved as HL diversified into sectors such as blockchain, technology and sustainability, followed by an eventual re-focus on property investment in 2023. While its managing director Colin Tan expressed optimism regarding the beneficial impact of key profit drivers on HL's mixed-use developments in its FY2023 annual report, it was not long before HL requested a trading halt and applied to be placed under judicial management.

The objective of this case study is to facilitate discussion of issues such as the corporate governance practices of family-controlled companies; risk management; board composition; changes in directors, key management, auditors and sponsors; audits and financial reporting; delays in reporting and holding AGMs; Mainboard versus Catalyst board rules; the role of the continuing sponsor for Catalyst companies; and regulatory oversight and enforcement.

About Hatten Land

“Aiming to Disrupt the Status Quo To Achieve Success and Growth”

– *Dato' Colin Tan, Executive Chairman and Managing Director of HL*¹

Hatten Land Limited (HL) grew into one of Malaysia's leading property developers specialising in integrated residential, hotel and commercial developments.² It listed on the Singapore Exchange (SGX) through a backdoor listing by Hatten Group (HG), a conglomerate established in 1993 in Malacca, Malaysia, and owned by brothers Dato' Colin Tan (Colin) and Dato' Edwin Tan (Edwin).^{3,4} In late 2016, HG struck a S\$386 million Reverse Takeover (RTO) deal with VGO Corporation Limited (VGO), a firm listed on the SGX Mainboard.

* This case study was originally prepared by Lee Jin Kang, Li Kun, Tan Jia Jia Michelle, Yin Jiajun and Zhang Guowei. It has been edited by Karen Lee, under the supervision of Professor Mak Yuen Teen, with additional content added. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

VGO had been placed on the Singapore Exchange Securities Trading Limited (SGX-ST) Watch-list on 3 March 2016 for failing to meet the Minimum Trading Price (MTP) Criteria in Mainboard Rule 1311(2) (SGX Regco scrapped this rule in 2020).^{5,6} VGO acquired ownership of HG's property development arm, Sky Win Management Consultancy (Sky Win), in exchange for the issuance of 1.2 billion new ordinary shares to the Tan brothers.⁷ VGO was renamed to HL and was transferred from the Mainboard to the Catalist board.⁸

Following the RTO, the Tan brothers became HL's controlling shareholders.⁹ Colin was appointed as Executive Chairman while Edwin became an executive director (ED), and together they held 82.61% of HL's shares through Hatten Holdings Pte Ltd which they jointly owned.^{10,11} In HL's FY2023 annual report, this percentage had dropped to 50.46%.¹² Both brothers graduated from the University of Dublin with a Bachelor of Science (Finance) in 2009.¹³ Aside from the Tan brothers who serve as EDs, there were three other independent directors (IDs) sitting on the board.¹⁴

Although HL experienced a 136% annual growth in revenue in 2019, and reported a historically high profit of RM11,047,000 (US\$2.31 million), it could not maintain this growth during the sudden outbreak of Covid-19 and experienced negative growth of more than 2000% in 2020.^{15,16,17} In April 2020, a HL subsidiary had to sell a 3.781 hectare plot of land at RM28.5 million (US\$5.96 million) below its book value for HG to repay its debts and fund other operations.^{18,19} Shortly after the sale of the land, it announced that it would postpone the development of multiple projects in Malaysia worth over RM4 billion due to the impact of the pandemic.^{20,21} HL's development stagnated for a prolonged period during the COVID-19 pandemic and it has since faced profitability and solvency trouble.

In recent years, HL has expanded into various sectors including consultancy and sustainability through its subsidiaries Hatten Edge Pte Ltd (Hatten Edge), Hatten Technology (S) Pte Ltd (HT), and Hatten MS Pte. Ltd. (formerly Sky Win) (Hatten MS). There were more than 20 companies in the group.²²

Project Delays

Numerous HL's projects faced delays.

Harbour City Project

"I have no confidence in Hatten any more."

– Mr Francis Ng, a Singaporean investor of a unit on the 25th storey of Harbour City²³

In 2015, HL started the Harbour City project - a marine-themed mixed development incorporating elements of retail, hospitality and entertainment.²⁴ The six-storey megamall, three hotel blocks, and a 500,000 square feet water theme park were to be built by HL's wholly-owned Malaysian subsidiary, Gold Mart Sdn. Bhd. (GMSB).^{25,26} The project was originally scheduled to be completed within five years, with the target year being 2020.²⁷

However, the project remained incomplete after the 2020 deadline. This came to a head when frustrated property-buyers and investors staged a demonstration outside another one of HL's projects, ElementX Mall, on 18 March 2023.²⁸

The delays were said to be partly caused by the COVID-19 pandemic which started in the last quarter of 2019 and lasted until 2022-2023. The subsequent implementation of the Prevention and Control of Infectious Disease (Measures within Infected Local Areas) Regulations 2020 by the Malaysian government further delayed it.

In addition, HL was embroiled in a legal dispute with its main contractor. On 14 May 2020, the company announced that GMSB had received a notice of adjudication from China Construction Yangtze River (M) Sdn. Bhd. (China Construction), the main contractor of the Harbour City project, for a claim of RM100 million

(US\$20.9 million).^{29,30} The claim was in relation to a dispute between GMSB and China Construction arising out of a RM818.2 million (US\$171.03 million) construction and completion contract for the Harbour City project.^{31,32} HL said that the claim was “without merit” and that GMSB “intend[ed] to defend the claim against it vigorously”.³³ According to HL, it dismissed China Construction after the project faced delays of about 380 days by the third quarter of 2019.³⁴ HL also revealed that China Construction created further delays by removing all tower cranes and safety platforms after its dismissal.³⁵ Following a legal battle in May 2020, HL announced on 26 April 2021 that an adjudicator had decided that GMSB was to pay RM1.5 million (US\$0.31 million) to China Construction.³⁶ The sum included RM1.4 million (US\$0.293 million) for the cost of contract works, interest at five percent per annum on the cost of contract works from the date of decision until payment, RM150,000 (US\$31,355) for the cost of adjudication, and RM30,500 (US\$6,375) as reimbursement for the payment made by China Construction to the Asian International Arbitration Centre.^{37,38}

Delays were also caused by issues with Tayrona Capital Pte. Ltd. (Tayrona Capital). On 11 August 2020, HL announced that its wholly-owned subsidiary, Hatten MS, had entered into an agreement with GMSB, Tayrona Capital, and Wealth Express Holdings (WEH) for Hatten MS to sell all of its rights, control and interest in the Harbour City project to Tayrona Capital for US\$60 million.³⁹ Additionally, there would be a divestment of GMSB - Tayrona Capital would purchase 99 million new ordinary shares of GMSB for approximately US\$23 million, thereby holding a 99% equity interest in GMSB.⁴⁰ In exchange, Tayrona Capital agreed to provide consideration amounting to approximately US\$83 million payable on 15 November 2020, and also agreed to pay WEH US\$240 million for works and services WEH would provide to Tayrona Capital, which included the completion of the development of Harbour City and its associated marketing and management.⁴¹ While the media touted Tayrona Capital as HL’s “white knight” that would “rescue” its Harbour City project, what followed was a series of extensions for the consideration payable.⁴²

On 24 June 2021, HL eventually substituted Tayrona Capital with Tayrona Capital Group Corporation (TCGC) due to a creditor filing an application for the winding up of Tayrona Capital earlier that month.⁴³ HL announced on 17 September 2021 that the consideration payable by Tayrona Capital Group Corporation has not been received, citing “substantial documentation and time required by the financial institutions involved to approve and process the cross-border payment of an amount of monies which is not unsubstantial” and the “pandemic situation”. Despite this, TCGC reportedly remained “keen and committed” to completing the deal.⁴⁴ The two and a half years of delays finally came to an end when HL announced on 14 February 2023 that a notice of termination had been issued to TCGC for its failure to comply with its payment obligations.⁴⁵

Lastly, the project was also delayed due to a legal dispute relating to the necessity of a housing developer licence. On 19 May 2023, HL responded to an allegation that GMSB had not applied for a housing developer licence for the Harbour City project, and that the authorities had agreed to investigate GMSB under section 10 of the Housing Development Act.^{46,47} HL asserted that the commercial nature of the Harbour City units negated the need for such a licence.⁴⁸ It also stated that GMSB had yet to receive an official letter from the authorities regarding this matter at that point in time.⁴⁹ GMSB also served a letter of demand for defamation on Mr. Ng, a property-buyer who made the allegation, claiming that his statement had a negative impact on their contractors’ willingness to resume construction work, thus resulting in further delay as well as unnecessary alarm to other purchasers.⁵⁰ After following up with the relevant authorities, GMSB received a letter on 25 May 2023 from the Ministry of Local Government Development stating that a site visit had been arranged at GMSB’s office in Melaka to review documents relating to the project. This was conducted on 6 June 2023.⁵¹ It was finally confirmed in August 2023 that GMSB did not require the licence for the project.⁵²

According to the contract between HL and its property-buyers, the company would be required to compensate buyers for a failure to deliver the project on time.⁵³ This compensation would be calculated on a daily basis at an annual rate of five percent, applied to the portion of the purchase price already paid by the buyer, excluding

goods and services tax.⁵⁴ While HL stated that it would honour the terms in the contract, buyers disappointed by the various delays commented that “the compensation details so far have been vague”.⁵⁵

The Harbour City project eventually resumed in May 2024⁵⁶. However, this only came about after the court sanctioned GMSB’s scheme of arrangement on 21 March 2024, setting a deadline for HL to begin work by 21 June 2024 and complete the project within three years.^{57,58}

SATORI Project

SATORI was another major property development project by HL that suffered a significant delay. The project was to feature health, wellness, beauty and leisure facilities, including a hotel, serviced residences, and a mall.⁵⁹ This project was initiated in 2017 and was originally scheduled for completion within a four-year time frame, with the target year being 2021. However, HL revealed on 20 March 2023 that progress had stalled due to the appointed contractor’s bankruptcy, and that while it was tendering for a new contractor, works for SATORI would only recommence after a six-month gap from the time works for the Harbour City project was to recommence.⁶⁰ In its monthly update for March 2024, HL reiterated the Harbour City project’s priority over the SATORI project, which was put “on hold for time being”.⁶¹ As of June 2023, the Harbour City project was 69% finished and was expected to be finished in FY2027, while the SATORI project was 13% finished and expected to be finished in FY2026.⁶²

Judicial management

Just as it seemed like HL’s projects would yet succeed, the company requested for a trading halt on 2 August 2024, applied to the Singapore High Court to place the company under judicial management on 5 August 2024, and subsequently requested for a suspension of trading.^{63,64} Not long after, HL was placed under interim judicial management on 21 August 2024 and judicial management on 14 October 2024.^{65,66}

A strategic shift

A few years earlier, HL’s corporate vision underwent a transformation when it decided to diversify into blockchain and the digital economy, comprising cryptocurrency mining and blockchain, the Metaverse, e-commerce and phygital (physical-digital), and renewable energy.⁶⁷ On 28 December 2021, HL announced the unwinding of its acquisition of the Unicity Project to conserve cash for this strategic pivot.⁶⁸ Two days later, an Extraordinary General Meeting (EGM) was held and shareholders approved HL’s proposal to diversify its business.^{69,70}

Prior to this, HL had already entered into several agreements with various companies purportedly to better align its business model with the growth trends of the digital economy. One such example is HL’s acquisition of ECXX Global Pte. Ltd. (ECXX).

On 29 June 2020, HL announced that it had entered into agreements to acquire a 20% equity interest in ECXX, as part of strategic efforts for HL to integrate ECXX’s digital vision with its brick and mortar property business, thus gaining access to its blockchain expertise.⁷¹ HL entered into the acquisition despite the fact that ECXX was loss-making. Based on ECXX’s audited financial statements for the financial year ended 31 August 2019, it had a net asset value of US\$2.4 million and a loss before tax of US\$1.2 million.⁷² The purchase consideration for HL’s 20% stake in ECXX amounted to US\$6 million, slightly above ECXX’s paid-up capital of US\$5.8 million at that time.⁷³ In that same announcement, HL stated that none of ECXX’s shareholders (and those companies’ directors and shareholders) were related to HL, its subsidiaries, its directors and its substantial shareholders.⁷⁴ However, in its response to an SGX query on 29 July 2020, HL clarified that its executive director Colin Tan had, for a long time, known the Chief Executive Officer and Co-Founder of ECXX’s then-largest shareholder - and it was that individual who had introduced ECXX to Colin Tan.⁷⁵

On 29 December 2023, ECXX filed a striking-off application with the Accounting and Corporate Regulatory Authority (ACRA).⁷⁶ In a FY2024 2Q results announcement, HL stated that as of 30 June 2023, it had recognised an impairment loss of RM22 million (US\$4.6 million) from the writedown of ECXX.^{77,78}

Cryptocurrency mining and blockchain

HL entered into three agreements from 2021 to 2022 to grow its business in cryptocurrency mining.

First, it was announced on 30 September 2021 that HL's subsidiary had signed an agreement with Singapore's Frontier Digital Asset Management to share proceeds from jointly operating at least 1,000 cryptocurrency mining rigs at its properties in Malaysia.⁷⁹ It was also reported on 14 January 2022 that HL's subsidiary Hatten Edge had signed an agreement with SMI Vantage's subsidiary SMI CS for HL to commence cryptocurrency mining activities with its first 50 sets of crypto mining rigs delivered by SMI CS and installed by the end of January 2022.⁸⁰ This would be followed by the next batch of 1,500 crypto mining rigs to be installed from February to March 2022.⁸¹ In addition, SMI CS had the option to provide another 1,000 sets of crypto mining equipment in 2022, bringing the total number of crypto mining rigs provided by SMI CS to more than 2,500 sets.⁸² Hatten Edge subsequently entered an agreement on 31 March 2022 with a new business partner for the addition of up to 550 crypto mining rigs to HL's crypto mining facilities in Melaka.⁸³

Second, HL's subsidiary HT partnered with Hydra X, a Singapore fintech firm, to develop and run cryptocurrency exchanges which specialise in listing and trading newly-minted bitcoins.⁸⁴ They were also said to prioritise the creation of "green bitcoins" mined with renewable energy.⁸⁵ Revenue was to come from both exchange operations and custodial services for traded cryptocurrencies and tokens.⁸⁶

Third, HL announced in a press release on 31 March 2022 that property sale, retail, and hospitality business activities under its property portfolio would accept cryptocurrencies as payment for transactions.⁸⁷ Earlier on 7 October 2021, it was reported that HT had signed an agreement with Prakal – a special purpose vehicle known as EnjinStarter – to develop a token system that would help promote a digital economy in Melaka.⁸⁸ These digital assets, which included non-fungible tokens, could be exchanged for or connected with the current loyalty points system of HL's malls and hotels, as well as those of other participating hotels, attractions, malls and shops.⁸⁹

The Metaverse

HT and EnjinStarter had also planned to create a metaverse, starting with a digital twin city (a digitised copy of a smart city) for Melaka called Digital Melaka.⁹⁰ Digital Melaka would feature activities, key attractions and HG's properties in Melaka in a digital format as an online game.⁹¹ Through the play-to-earn model, not only would players be able to explore Melaka city's attractions, culture, and heritages online, they would also have the ability to sell, stake, or farm the digital assets acquired in the form of non-fungible tokens or utility tokens.⁹²

E-commerce and phygital

On 20 April 2022, it was reported that HT would enter into a joint venture with Kitamen Holdings, an esports company, to organise and conduct esports events.⁹³ As part of its new business strategy, HL planned to inject RM1 million (US\$0.21 million) into the joint venture over 12 months to rebrand its Elements Mall into Southeast Asia's first large-scale integrated esports hub, Element X.^{94,95} The Melaka E-sports Association, a government agency, would recognise Element X as Melaka's official esports hub and provide HT with the necessary guidance and financial support.⁹⁶

Two more developments soon followed. On 5 May 2022, it was reported that Hatten Edge had signed a 10-year agreement with a subsidiary of Chinese media group Focus Media Information Technology to invest around CN¥8 million (US\$1.1 million) in an esports hub that would be an anchor tenant of Element X.^{97,98,99} Further,

on 18 August 2022, Hatten Edge signed a partnership agreement with MOONTON Games, the international gaming developer known for producing the highly acclaimed Mobile Legends: Bang Bang (MLBB), to jointly develop and transform Element X into a MLBB-themed esports hub.¹⁰⁰

Renewable energy

On 10 November 2021, it was reported that HL was forming a joint venture with Nestcon to secure, supply, construct, develop and manage solar panel facilities in Malaysia. The first project under the agreement was for the installation of over 6,000 solar panels on the roof of Melaka's largest mall Dataran Pahlawan Melaka Megamall, which is managed by HG.¹⁰¹

HL announced on 16 September 2022 that it had entered into a shareholders' agreement with NEFIN Pte. Ltd. (NEFIN) to invest US\$10 million into Hatten Energy Holdings Pte. Ltd. (HE Holdings) for the purpose of developing, constructing and operating renewable energy projects.¹⁰² HE Holding's wholly-owned subsidiary Hatten Renewable Asset Pte Ltd (HRA) entered into a solar power purchase agreement with Trend Technologies Singapore Pte Ltd for the former to construct, operate and maintain a rooftop solar power system at the latter's premises for a duration of 21 years, and for the latter to purchase the electricity generated.¹⁰³

However, HL announced on 31 March 2023 that it had terminated both these agreements to re-focus on property investment.¹⁰⁴

HL's impairment assessment and U-turn

In both its FY2022 and FY2023 annual reports, HL conducted impairment assessments and found that no impairment was required for the cash-generating unit related to its crypto assets exchange platform, metaverse gateway, and integrated esports and gaming experiential hub.^{105,106} To make these determinations, management exercised its judgment to estimate the market prices of cryptocurrency, the prices and sales of digital assets, and the number of platform users and tourists.^{107,108}

However, the independent auditor for both FY2022 and FY2023 had expressed that it was unable to obtain sufficient audit evidence to evaluate the reasonableness of the cash-generating unit's revenue forecasts and hence its value-in-use and recoverable amount.^{109,110}

On 14 February 2023, HL announced a U-turn, shifting its focus back to property investment.¹¹¹

HL underwater?

As HL navigated strategic business shifts, the company and its subsidiaries were flooded with letters of demand from creditors.

On 21 December 2022, HL's subsidiary MDSA Resources Sdn. Bhd. (MRSB) received a letter of demand from the solicitor representing HSBC Bank Malaysia Berhad (HSBC) in relation to a RM20 million (US\$4.18 million) term loan credit facility HSBC had extended to MRSB for the partial financing of one of HL's completed property's furniture and fittings.^{112,113} The loan was secured by debenture over present and future assets of MRSB, first party charge over certain property assets owned by MRSB, legal assignment over the designated accounts and monies standing to the credit in favour of HSBC, and joint and several guarantees by MRSB's directors.¹¹⁴ On 1 March 2024, HL, as the guarantor of the loan, received another letter of demand from the solicitor representing HSBC for the aggregate of the principal sum and interest accrued under the loan as of 31 January 2024, amounting to approximately RM6 million (US\$1.25 million).^{115,116}

On 6 February 2023, HL received a letter of demand for US\$23 million from the solicitor representing bondholders of an aggregate of 68% in principal amount of the US\$25 million fixed rate guaranteed secured

bonds issued by HL.¹¹⁷ The bonds issued in 2018 to finance the completion of Hatten City Phase 2 bore interest at a fixed rate of eight percent per annum (payable semi-annually) and were meant to mature on 8 March 2020.^{118,119} HL deferred the repayment of the bonds thrice, and obtained bondholders' approval to extend the maturity date of the bonds on a monthly basis until 8 June 2021.¹²⁰ From 8 March 2020 onwards, the bonds bore a higher fixed interest rate of 10% per annum.¹²¹ They were secured by a land charge for assets owned by a related party of HL, first fixed charge over hospitality assets owned by a related party, and a personal guarantee by a director of HL.¹²²

On 10 November 2023, HL's subsidiary MDSA Ventures Sdn. Bhd. (MVSB) received a letter of demand from the solicitor representing Bank Kerjasama Rakyat Malaysia Berhad in relation to a RM60 million (US\$12.54 million) loan extended to MVSB.^{123,124} The loan was procured to refinance an existing term loan.¹²⁵ As at 30 June 2023, MVSB breached a financial covenant by failing to maintain the Financial Services Reserve Account (FSRA) at the required minimum balance of RM3 million (US\$0.63 million).^{126,127} As a result, the loan was reclassified as a current liability in the financial statements.¹²⁸ Following the breach, the lender issued a letter of demand seeking partial payment.¹²⁹ The loan was secured by a legal charge over certain retail lots and serviced units, deeds of assignment of rental proceeds, surplus funds in the Housing Development Account, and rights over designated accounts, as well as a memorandum of deposit and letter of set-off related to the FSR and guarantees from MVSB's directors.¹³⁰

On 30 January 2024, HL received a notice of default from Haitong International Financial Products (Singapore) Pte. Ltd., demanding the repayment of approximately US\$21.5 million for a US\$20 million convertible loan extended on 21 May 2020 to finance the Hatten City Project and other approved development projects.¹³¹ The loan was secured by a corporate guarantee from a HL subsidiary in Malaysia and a charge over 760 million shares in HL held by the immediate and ultimate holding company, 345 retail units of HL and its subsidiaries, and personal guarantees by certain directors of HL.¹³²

On 25 March 2024, MRSB received a notice of default and a letter of demand from the trustee and solicitor representing Kenanga Investment Bank Berhad (Kenanga) respectively for a total sum of RM14,114,652.15 (US\$2.95 million).^{133,134} The sum owed is in relation to the First Tranche Fourth Issuance of HL's medium-term note (MTN) programme, which was meant to repay the maturing outstanding notes pursuant to the First Tranche Third Issuance.¹³⁵ The medium-term notes were secured by a debenture over 44 units of luxury residence serviced apartments and 11 units of penthouse suites from MRSB's developments, and a corporate guarantee provided by HL.¹³⁶

Rescue attempts

In response to its financial challenges, HL appointed a financial advisor – Deloitte & Touche Financial Advisory Services Pte. Ltd. – on 28 March 2024 to develop a restructuring plan and explore fundraising strategies.¹³⁷ With regards to debt restructuring, HL had already applied for three schemes of arrangement. Out of the three applications, only two obtained the courts' sanction.

The first two applications on 2 July 2020 concerned the restructuring of MVSB and MRSB. MVSB's application obtained the court's approval, while MRSB's failed to do so. They had applied to the High Court of Malaya at Melaka for leave to call for creditors' meetings to obtain their approval for schemes of arrangement.¹³⁸

Under MVSB's proposed scheme, MVSB would earmark 32 unsold and unencumbered units in Imperio Mall in Melaka with an approximate value of RM114.6 million (US\$23.95 million) to a special purpose vehicle (SPV).^{139,140} MVSB would also inject assets of up to RM53.6 million (US\$11.2 million) if necessary.^{141,142} The SPV would then be placed into a Creditors' Voluntary Liquidation (CVL) for the liquidators to realise the earmarked properties and distribute the monies to the creditors, with third party scheme creditors being paid first from the proceeds.¹⁴³ The scheme was approved on 6 January 2021.¹⁴⁴

However, MRSB's proposed scheme was dismissed by the High Court, Court of Appeal, and the Federal Court - with the Federal Court citing the reason that the proposed scheme was "unreasonable, inequitable, and unfair" for placing related party creditors and third party creditors in the same class.¹⁴⁵ Additionally, it stated that the "*bona fide* conduct of the appellant ... was questionable" due to the non-disclosure of the material fact that almost the entire debt owed to creditors under the scheme would eventually be written off due to elimination at consolidation.¹⁴⁶

The third application on 12 June 2023 was for the restructuring of GMSB. The Kuala Lumpur High Court granted leave to call for a creditors' meeting to obtain approval for a scheme of arrangement which would result in 60% of scheme creditors' liquidated ascertained damages amounting to approximately RM65.25 million (US\$13.64 million) being waived. The remaining 40% amounting to approximately RM43.5 million (US\$9.09 million) would be settled by way of proceeds received from the sale of certain unsold units of the yet-to-be-completed Harbour City project.^{147,148,149} Two conditions were included. First, GMSB was to commence work for the Harbour City project within three months of the court's sanction.¹⁵⁰ Second, GMSB was to complete the development of Harbour City within three years from the commencement date.¹⁵¹

On 8 September 2023, the creditors' meeting was held and the scheme was approved by a majority of 80.02% of the total value of the scheme creditors present and voting in person or by proxy.¹⁵² Subsequently on 21 March 2024, the court approved of the scheme.¹⁵³ As part of HL's fundraising efforts, the controlling shareholders entered into an agreement with an undisclosed but "reputable financial institution in Singapore" for a shareholders' loan to HL, which would be secured by their personal assets.¹⁵⁴ In addition, one of HL's EDs undertook to provide necessary financial support to HL and its subsidiaries in order to sustain its operations.¹⁵⁵

Other signs of trouble

HL stopped declaring dividends from FY2020 due to its sustained loss position. The dividend amount per share in FY2019 was lower than in FY2018 as HL wished to conserve its cash for its development and operations.¹⁵⁶ Furthermore, the profit of RM108,000 (US\$22,572) in FY2022 was not recorded until a restatement in its FY2023 annual report.^{157,158,159}

AGM delays

On 14 October 2022, HL announced that it had submitted an Extension of Time (EOT) application to SGX-ST to delay holding its Annual General Meeting (AGM) for the financial year ended 30 June 2022 due to two reasons.¹⁶⁰ First, HL was raising funds to refinance certain debts and to invest in strategic businesses it was pivoting to.¹⁶¹ It said that the due diligence activities from the fundraising exercise clashed with HL's and its subsidiaries' regular year-end financial closing and statutory audit period.¹⁶² Hence, the financial reporting and statutory audit processes were disrupted.¹⁶³ Second, the post-pandemic reopening of Malaysia and the resurgence of business activity resulted in an unprecedented surge in demand for valuation services, especially in the property sector.¹⁶⁴ Thus, HL's business and property valuer required more time to finalise the valuation reports, which delayed the audit and verification process of the auditors.¹⁶⁵ This was approved by SGX-ST. In the same announcement, it said that it had concurrently submitted an application to ACRA for an extension of time to hold its AGM and submit its annual report.

Based on the Singapore Companies Act, listed companies must hold their AGMs and file their annual returns within four and five months after the company's financial year end respectively.¹⁶⁶ HL was required to hold its FY2022 AGM by 31 October 2022 and file its annual return by 30 November 2022. HL's EOT application to delay holding its AGM on 14 October 2022 was made only 17 days before the deadline for holding its AGM. On 28 October 2022, ACRA approved HL's application to hold its AGM by 30 December 2022 and to lodge its annual return by 29 January 2023.¹⁶⁷

However, this was not the first – and nor would it be the last – time HL would delay holding an AGM. HL had also delayed its FY2021 AGM. On 3 August 2021, HL applied for an extension of 60 days to hold its AGM and announce unaudited financial results.¹⁶⁸ They were approved by SGX-ST and ACRA. The reason provided was that HL had been facing issues accessing its office premises due to Malaysia's Movement Control Order.¹⁶⁹ Following the delay in the FY2022 AGM, HL made another extension request for its FY2023 AGM, and obtained SGX-ST's and ACRA's approval to delay holding its AGM until 29 December 2023 and 30 December 2023 respectively.¹⁷⁰

Restatement of financial statements

In the span of seven years from FY2017 to FY2023, HL's financial statements had five restatements: in FY2018, FY2019, FY2021, FY2022, and FY2023.^{171,172,173,174}

ACRA concluded that HL's FY2022 financial statements failed to comply with paragraphs 5.5.17, 5.5.18, B5.5.55 and B5.5.22 of Singapore Financial Reporting Standards (International) 9 (Financial Instruments) because HL did not measure expected credit loss for its trade receivables as at 30 June 2021 and 2022 in an unbiased manner.¹⁷⁵ It also concluded that HL's FY2023 financial statements had not complied with paragraphs 117 and 118 of SFRS(I) 1-1 (Presentation of Financial Statements).¹⁷⁶ HL had restated the FY2022 financial statement comparatives included in the its audited financial statements for FY2023 due to a change in measurement basis for repossessed property inventories from historical cost to fair value on repossession date as the new deemed cost. However, it had failed to disclose this change in measurement basis. Accordingly, ACRA requested for HL to include the necessary adjustments and disclosures in its FY2024 financial statement.¹⁷⁷

Changes of auditors and modified auditors' opinions

Ernst & Young LLP (EY) had expressed an unqualified opinion on HL's financial statements in FY2017 and FY2018. However, in FY2019, it issued a disclaimer of opinion.¹⁷⁸ EY said that HL was facing critical cash flow issues amongst other issues material enough that HL's ability to continue operations was in question.¹⁷⁹

Following this, EY was not re-appointed by shareholders despite having expressed willingness to accept a re-appointment.¹⁸⁰ Instead, HL appointed Baker Tilly TFW LLP (BT) as its new auditor at an EGM held on 20 February 2020.¹⁸¹ Throughout BT's four-year term after its appointment as HL's auditor, it consistently issued modified opinions on HL's financial statements.

For FY2020, HL received a qualified opinion for two major reasons. First, there was a significant impairment loss amounting to RM492.6 million (approximately US\$107 million) regarding an investment in a subsidiary.¹⁸² This figure was recorded in FY2019, but the issue was brought forward to FY2020 as a comparable since EY was unable to prove the loss. Concurrently, BT raised going concern issues as HL's overall net liabilities exceeded its net assets and HL had incurred a net loss for that financial year.¹⁸³ BT also believed that the property market would experience great fluctuations due to a bleak economic outlook caused by a surge in Covid-19 cases.¹⁸⁴

For FY2021 to FY2023, BT consistently expressed a disclaimer of opinion on HL's financial statements due to going concern issues. The number of reasons forming the basis of the opinions continued to increase through the years. At HL's FY2023 AGM, BT stated that they would not seek re-election as auditor.¹⁸⁵

In response to BT's decision, HL stated that it was "not aware of any circumstances connected with cessation of [BT] that should be brought to the attention of the shareholders of [HL], and any specific reasons for Baker Tilly not seeking reappointment".¹⁸⁶

Change of sponsor

VGO was listed on the SGX Mainboard on 4 August 2000. Following HG's RTO deal with VGO, HL was formed and transferred to the Catalist board, with UOB Kay Hian Private Limited (UOBKH) as its sponsor.¹⁸⁷ Since

2017, UOBKH has been a top 20 shareholder of HL, but did not breach the 10% shareholding limit set out in Rule 5(b) of Appendix 2D Sponsor Independence to the Catalist Rules.¹⁸⁸

On 31 March 2023, HL announced a change of continuing sponsor from UOBKH to RHT Capital Pte. Ltd. due to “commercial reasons”.¹⁸⁹

Change of CFO and financial controller

From 2017 to 2024, HL had three different Chief Financial Officer (CFO).

Leong Chain Hong (Leong) was appointed as CFO on 31 August 2017.¹⁹⁰ However, on 29 December 2017, HL announced that Lau Sui Hing (Lau) will replace Leong, stating that the latter was leaving to pursue other career opportunities and there were no concerns with financial reporting and no disagreements with the Board.^{191,192} However, on 30 April 2018, it was announced that Lau had resigned to pursue personal interests, and there were similarly no concerns with financial reporting nor disagreements with the Board.¹⁹³

HL was left without a CFO for the following two years before Chong Heng Loong (Chong) was appointed on 2 April 2020.¹⁹⁴ Chong had served as the Head of Business Development and Corporate Finance at one of HL’s indirect subsidiaries.¹⁹⁵ Less than a year later, on 9 March 2021, the company announced that Chong had also resigned as CFO.¹⁹⁶ He also quit his two directorships in a HL’s indirect subsidiary and an associated company, ECXX.¹⁹⁷ According to HL, Mr Chong left to explore other career opportunities and there were no concerns with financial reporting nor disagreements with the Board.¹⁹⁸ When announcing Chong’s resignation, HL stated the financial controller would undertake the CFO’s responsibilities in the absence of a CFO.¹⁹⁹

HL also changed its FC during this period. Tammy Tam Huey Chyun (Tam) was appointed as FC on 9 March 2021.²⁰⁰ Like Chong, Tam was an employee of HL, having been the Manager of HL’s Group Accounts since 2017.²⁰¹ However, after less than two years, Tam resigned due to family commitments.²⁰² HL said that Tam’s resignation was not due to any financial reporting issues nor disputes with the Board.²⁰³ Liang Fei (Liang) replaced Tam as FC on 1 February 2023.²⁰⁴ Liang had worked in the same department as Chong.²⁰⁵

Board of directors

While Provision 3.1 of the Singapore Code of Corporate Governance (SCCG) 2018 states that the Chairman and the Chief Executive Officer (CEO) should be separate persons to ensure an appropriate balance of power, increased accountability, and a greater capacity to for the Board to exercise independent decision making, HL’s Chairman and CEO are the same person - Colin Tan.^{206,207} HL’s rationale for deviating from the SCCG 2018’s recommendation was that a meaningful split of the roles was unwarranted given the company’s structure and scope of business.²⁰⁸

There were five members on HL’s Board, two EDs and three IDs. Since its formation in FY2017, HL’s Board has been entirely made up of ethnic Chinese male directors.

The same three IDs sit on HL’s Audit and Risk, Remuneration, and Nominating committees.²⁰⁹ In addition, Colin Tan is the fourth member of the Nominating Committee.²¹⁰ Since FY2018, the two EDs have been invited to and have attended all Board committee meetings.²¹¹

Change of independent directors

From 2019 to 2024, HL’s board of directors underwent several changes with respect to its IDs. At the end of 2021, Foo Jong Han (Foo) stepped down to facilitate the Board’s renewal as he had been an ID of HL for more than nine years since 2006.²¹²

Following Foo's departure, Khoo Chin Hang Nicholas Aaron (Khoo) stepped in. Based on the company's disclosures, Khoo does not have a Bachelor's degree but has a Master of Business Administration from Arcadia University and a "Diploma in Computer Information Systems, Merit, Information Technology" – as well as years of experience working in tech startups and consulting.^{213,214}

At the end of 2023, Dato' Wong King Kheng (Wong) and Loh Weng Whye (Loh) announced their retirements as IDs. Wong had been the lead ID for more than nine years and was stepping down to facilitate the board's renewal while Loh expressed a desire to focus his time on social work.^{215,216}

Following the two departures, HL appointed Yeo Boon Keong (Yeo) as a new ID. Yeo has over 35 years of audit, accounting and tax advisory experience, along with multiple related professional qualifications.^{217,218} HL also made Khoo the lead ID from 2024 onwards.²¹⁹

Finally, Gan Fong Jek (Gan) was appointed as an ID on 28 March 2024.²²⁰ In addition to his background in accountancy, Gan's fund management company manages technology-related funds (including a digital asset blockchain technology fund) with investments in over 25 start-up companies across various jurisdictions.²²¹

All in the family

On 2 July 2018, HL appointed Datuk Wira Eric Tan Eng Huat (Eric Tan), the father of the two EDs, as its corporate advisor.²²² He is responsible for corporate development, merger and acquisition strategies, joint venture, and strategic alliance opportunities of HL and its subsidiaries.²²³ The announcement of his appointment also revealed that he had been adjudged a bankrupt from 9 November 2001 to 27 February 2018 and thus disqualified from acting as a director of an entity during that period.²²⁴

Eric Tan was appointed as Managing Director at another Catalyst-listed issuer, Capital World Limited, with effect from 13 January 2025. The Board of Directors at Capital World said that, "having considered the recommendation of the Nominating Committee as well as the qualifications and experience of Datuk Wira Eric Tan Eng Huat ("Datuk Wira Eric Tan"), is of the view that Datuk Wira Eric Tan has the requisite experience and capabilities to assume the duties and responsibilities as the Managing Director of the Company."²²⁵ Eric Tan is listed as having a degree of Doctor of Philosophy in Business Administration from Southern California University. However, a Google search indicated that there is no university called Southern California University.²²⁶ The announcement is said to have been reviewed by the company's sponsor, RHT Capital, which is also the sponsor of HL.²²⁷

From 31 August 2017 to 30 September 2021, Datin' Wira Lu Chai Hong (Lu), mother of the EDs, held the position of Senior Manager (described as "Head of Department" in HL's FY2018 annual report) for Office Admin & Human Resources.^{228,229}

Remuneration

Provision 8.1(a) of SCCG 2018 recommends that a company discloses the amounts and breakdown of remuneration for each director and its CEO.²³⁰ However, HL does not disclose the exact remuneration received by its EDs. Rather, it discloses remuneration amounts in bands citing reasons of "highly competitive business environment and nature of the industry and sensitivity reasons", as well as the potential to "adversely affect talent attraction and retention".²³¹

Figure 1 shows the remuneration of the EDs, IDs, key management personnel (KMP) and the corporate advisor, Eric Tan.

Position/FY	2019	2020	2021	2022	2023
Executive Directors	S\$500,000 to S\$750,000	S\$500,000 to S\$750,000	S\$400,000 to S\$600,000	S\$400,000 to S\$600,000	S\$400,000 to S\$600,000
Independent Directors and Key Management Personnel	Below S\$250,000	Below S\$250,000	Below S\$200,000	Below S\$200,000	Below S\$200,000
Corporate Advisor	S\$400,000 to S\$450,000	S\$400,000 to S\$450,000	S\$350,000 to S\$400,000	S\$350,000 to S\$400,000	S\$400,000 to S\$450,000

Figure 1: HL's remuneration disclosures^{232,233,234,235,236}

Source: Hatten Land Limited. Annual Reports.

According to HL, non-executive directors (NEDs) are eligible participants of the Employees' Share Option Scheme (ESOS).²³⁷ While it stipulated that ESOS participants cannot be involved in deciding their own ESOS grants, the designated body responsible for administering the ESOS was made up of all three IDs.²³⁸

Lu, mother of the EDs, who held the position of Senior Manager was paid in the band of S\$50,000 to S\$99,999 in FY2018.²³⁹

From the SGX Mainboard to the Catalist board

Established in 2007, the Catalist board is one of the two boards operated by SGX and operates on a sponsor-based model.²⁴⁰ While its initial focus was to support the growth of emerging enterprises, the Catalist board has evolved over time to provide companies with the flexibility needed to raise funds or enhance their financial standing.²⁴¹ Catalist listings have increased significantly on SGX while the number of Mainboard listings have fallen.²⁴² There are differences in admission and continuing listing requirements between the Mainboard and Catalist board.

First, certain quantitative criteria that companies must meet to be listed on the Mainboard are not required for Catalist listings. Specifically, companies on the Catalist board are exempt from three broad quantitative requirements relating to consolidated pre-tax profit, operating revenue and market capitalisation.²⁴³ Catalist Rule 406 states that companies seeking to list on the Catalist board must meet requirements of a minimum public float of 15%, a minimum value of shares held per investor of S\$200, and a minimum of 200 public shareholders.²⁴⁴ In contrast, Mainboard Rule 210 imposes more stringent requirements on the distribution of shares among the public based on market capitalisation, a higher minimum value of S\$500 for shares held per investor, and at least 500 public shareholders.²⁴⁵

Second, a Catalist listing requires the appointment and retention of a full sponsor who assesses the company's suitability for listing.²⁴⁶ Upon listing, the full sponsor is retained as a continuing sponsor for at least three years to guide and monitor the company to ensure compliance with continuous listing requirements.²⁴⁷ After three years, a Catalist must still retain a continuing sponsor but is free to change its continuing sponsor without any approval by SGX or shareholders. In contrast, Mainboard listings are not required to appoint a continuing sponsor.²⁴⁸

Third, Catalist Rule 406(3)(c) imposes a residency requirement on at least one ID for foreign issuers, while a Mainboard listing require at least two IDs to meet the residency requirement under Mainboard Rule 221.^{249,250}

In addition, less stringent continuing listing requirements apply to the Catalist board. Examples include the absence of a watchlist, higher general share issue mandates, and higher thresholds for major transactions which require shareholder approvals.²⁵¹

Over the years, few companies have transferred from the Catalist board to the Mainboard, with more opting to do the opposite.²⁵² As of 2019, about 11% of all Catalist listings are companies that have moved down from the Mainboard.²⁵³

VGO was a Mainboard-listed company placed under the SGX-ST watchlist on 3 March 2016 for failing to meet the MTP Criteria. VGO was renamed as HL and transferred its listing to Catalist following the RTO. SGX Regco subsequently scrapped the MTP Criteria in 2020.

While HL had attempted to transfer its listing from the Catalist Board to the SGX Mainboard in January 2019, its application was rejected by SGX-ST.^{254,255} SGX-ST took the view that HL's application was premature but stated that it was not precluded from re-submitting its application at a later date, after releasing its audited financial statements for FY2019.²⁵⁶ Since then, HL has not made any further announcement indicating an intention to apply for a listing transfer.

Recent developments

Since entering judicial management in 2024, the judicial managers have held one creditors' meeting. On 18 November 2024, the creditors unanimously passed three resolutions.²⁵⁷

First, they gave the judicial managers approval to enter into a definitive agreement with Hungchi Enterprise Pte. Ltd. (Hungchi). Hungchi and HL had been in negotiations for Hungchi to invest an aggregate of S\$11,400,000 in it, in exchange for acquiring between 60% and 70% of the enlarged share capital of HL on a fully diluted basis.²⁵⁸

Second, the creditors approved a further extension of the judicial management order to implement and effect the transaction if necessary. This application was subsequently lodged with ACRA on 1 April 2025.²⁵⁹ The validity period of the key terms expired on 17 March 2025, after having been extended for two months to give the parties time to "finalise and enter into" the agreements.^{260,261} The primary reason for the lapse of the validity period was the absence of documented proof of funding for Hungchi's proposed investment, for which it would not provide a deposit for.²⁶² There have been no further updates regarding other proposals by prospective investors despite HL's judicial managers continuing to explore "broader strategies and arrangements" with the company's major creditors.²⁶³

Third, the creditors gave their approval to the judicial managers to apply to SGX-ST for an extension of time to submit a proposal for the resumption of trading shares in HL. However, there has been no further announcement regarding the submission of any such application to SGX-ST.

Three dormant subsidiaries were struck off the Registrar of Companies in January and May 2025.^{264,265} The judicial managers also applied to SGX Regco for an extension of time in relation to announcing HL's FY2024 results, issuing HL's 2024 annual and sustainability report, and holding the FY2024 AGM.²⁶⁶ This was followed by an application for a further extension of time for the aforementioned matters and for announcing HL's unaudited financial statements for the first half of the financial period ending 31 December 2024.²⁶⁷ The judicial managers considered that HL's current priority was to continue operations and restructure the company, as well as negotiate potential investments. As these were still ongoing, financial reports or results would not have presented an accurate picture of HL's state of affairs. Without financial results, it would not have been meaningful to commence the FY2024 AGM, issue the accompanying annual report, or release further financial statements. Regarding the sustainability report, the judicial managers took the view that it would have been inappropriate to allocate resources towards it given the presence of other pressing matters that had to be dealt with to fulfil the statutory purposes of judicial management. Both applications were granted.²⁶⁸

On 26 July 2025, the company announced that the brothers Colin Tan and Edwin Tan had both resigned the previous day. The reasons given for both resignations were "health reasons" and "powers and duties of the Board had been conferred on the judicial manager(s) since the Company was placed under judicial management on 21 August 2024". They will also be stepping down from all the directorships in the company's subsidiaries. The announcements also stated that after having interviewed each of them, "the Company's Sponsor, RHT Capital

Pte. Ltd., is satisfied that save as disclosed in this announcement, there are no other material reasons” for their cessation.^{269,270}

There are few signs of hope for shareholders and other stakeholders of HL.

Discussion questions

1. What are the pros and cons of companies with dominant shareholders who are involved in management? In the case of Hatten Land, what issues did this create?
2. When a company seeks to diversify its business, it opens up new opportunities but also faces increased risks. What steps should a company take to mitigate these risks and ensure successful diversification? What is the role of the board in diversification decisions?
3. Summarise the major corporate governance issues at Hatten Land as described in the case study. What are the main contributing factors? What are the key warning signs of issues with the company’s corporate governance?
4. Critically evaluate Hatten Land’s Board in terms of its skills, competencies, experience and diversity. Is it aligned with its business model and good governance practices? Explain.
5. To what extent do you believe that Hatten Land’s board composition contributed to the issues that it faced? Do you think having a lead independent director benefitted the company? Explain.
6. In a company such as Hatten Land, what can minority shareholders do to hold the board accountable? What recommendations would you make in terms of changes in regulation to improve the ability of minority shareholders to protect their interests in a company like Hatten Land?
7. Why do you think Hatten Land listed through an RTO rather than through an IPO? Why do you think it listed on the Catalist board when the RTO vehicle, VGO, was listed on the Mainboard? What incentives and disincentives are there for a company to list on the Mainboard versus Catalist?
8. What is the role of the sponsor on the Catalist board? Do you think the sponsor-based model for Catalist is appropriate for the Catalist board?
9. Critically evaluate the effectiveness of SGX and other regulators in holding Hatten Land, and its directors and key officers accountable. What actions, if any, do you think SGX and other regulators should have taken?

Endnotes

- 1 Hatten Land Limited. (n.d.). Board Of Directors. Retrieved from <https://hattenland.com.sg/board-of-directors/>
- 2 Hatten Land Limited. (n.d.). Corporate Information. Retrieved from <https://links.sgx.com/1.0.0/corporate-information/2437>
- 3 Lim, K. (2016, December 30). Tan brothers to get 1.2b VGO shares in backdoor listing of Hatten's property arm: Assets being injected into VGO include four Malacca projects valued at RM1.9b. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/tan-brothers-get-12b-vgo-shares-backdoor-listing-hattens-property-arm>
- 4 Yahoo! Finance. (n.d.). Hatten Land Limited (PH0.SI) company profile & facts. Retrieved from <https://sg.finance.yahoo.com/quote/PH0.SI/profile/>
- 5 VGO Corporation Limited. (2016, March 3). Notification of inclusion on the watch-list due to the Minimum Trading Price ("MTP") entry criterion with effect from 3 March 2016. Retrieved from <https://links.sgx.com/FileOpen/Notification%20of%20Inclusion%20on%20the%20Watchlist.ashx?App=ArchiveAnnouncement&FileID=392535&AnncID=3XY92RLAVDU82JIP>
- 6 Lim, K. (2016, December 30). Tan brothers to get 1.2b VGO shares in backdoor listing of Hatten's property arm: Assets being injected into VGO include four Malacca projects valued at RM1.9b. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/tan-brothers-get-12b-vgo-shares-backdoor-listing-hattens-property-arm>
- 7 *Ibid.*
- 8 *Ibid.*
- 9 Hatten Land Limited. (2017, October 10). Annual Report 2017. Retrieved from <https://links.sgx.com/FileOpen/2017.10.11-%20Annual%20Report.ashx?App=ArchiveAnnouncement&FileID=473626&AnncID=539MNVL3MHOG2EBW>
- 10 *Ibid.*
- 11 Hatten Land Limited. (n.d.). Board Of Directors. Retrieved from <https://hattenland.com.sg/board-of-directors/>
- 12 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 13 Hatten Land Limited. (n.d.). Board Of Directors. Retrieved from <https://hattenland.com.sg/board-of-directors/>
- 14 Hatten Land Limited. (2024, March 28). Appointment of independent non-executive director. Retrieved from <https://links.sgx.com/FileOpen/Changes%20of%20the%20Composition%20of%20the%20Board%20and%20Board%20Committees.ashx?App=Announcement&FileID=793781>
- 15 Hatten Land Limited. (2019, November 8). Annual Report 2019. Retrieved from <https://links.sgx.com/FileOpen/Haatten%20Land%20Annual%20Report%20FY2019.ashx?App=Announcement&FileID=585094>
- 16 Hatten Land Limited. (2020, October 15). Annual Report 2020. Retrieved from <https://links.sgx.com/FileOpen/HattenLand%20AR%20FY2020.ashx?App=Announcement&FileID=635438>
- 17 MYR/USD = 0.209. Date chosen: 2024, April 18
- 18 MYR/USD = 0.209. Date chosen: 2024, April 18
- 19 Tan, L. (2020, April 10). Covid-19: Hatten Land unit sells Melaka land at loss to fund operations and repay borrowings. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/covid-19-hatten-land-unit-sells-melaka-land-loss-fund-operations-and-repay>
- 20 MYR/USD = 0.209. Date chosen: 2024, April 18
- 21 Kaur, S. (2020, August 5). Hatten Land postpones launch of projects worth over RM4 billion in Malaysia. *New Straits Times*. Retrieved from <https://www.nst.com.my/property/2020/08/614180/hatten-land-postpones-launch-projects-worth-over-rm4-billion-malaysia>
- 22 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 23 Hamzah, A. (2023, April 2). S'pore-listed property developer Hatten Land plans to restart work on Melaka project after years of delays. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/s-pore-property-developer-plans-to-restart-construction-on-melaka-project-after-years-of-delays>
- 24 Hatten Land Limited. (2018, August 7). Splash World press release. Retrieved from <https://links.sgx.com/FileOpen/2018.08.07%20Splash%20World%20Press%20Release.ashx?App=ArchiveAnnouncement&FileID=520349&AnncID=PPICC2N8CPV8QUW1>
- 25 *Ibid.*
- 26 *Ibid.*

- 27 Hatten Land Limited. (2017, August 17). FY2017 results corporate presentation. Retrieved from <https://links.sgx.com/FileOpen/2017.08.17-%20Corp%20Presentation%20Slides.ashx?App=ArchiveAnnouncement&FileID=467506&AnncID=RR064BMQKP23N4IQ>
- 28 Yee, J. (2023, March 19). Buyers Demonstrate Outside Malacca Mall Over Developer's Alleged Delayed Projects, S'poreans Among Those Affected. *Must Share News*. Retrieved from <https://mustsharenews.com/malacca-real-estate-group-hatten/>
- 29 MYR/USD = 0.209. Date chosen: 2024, April 18
- 30 Hatten Land Limited. (2020, May 14). Notice of adjudication. Retrieved from <https://links.sgx.com/FileOpen/2020%2005%2014%20announcement%20for%20Notice%20of%20Adjudication.ashx?App=Announcement&FileID=610952>
- 31 MYR/USD = 0.209. Date chosen: 2024, April 18
- 32 Hatten Land Limited. (2020, May 14). Notice of adjudication. Retrieved from <https://links.sgx.com/FileOpen/2020%2005%2014%20announcement%20for%20Notice%20of%20Adjudication.ashx?App=Announcement&FileID=610952>
- 33 *Ibid.*
- 34 Hamzah, A. (2023, April 2). S'pore-listed property developer Hatten Land plans to restart work on Melaka project after years of delays. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/s-pore-property-developer-plans-to-restart-construction-on-melaka-project-after-years-of-delays>
- 35 *Ibid.*
- 36 Hatten Land Limited. (2021, April 26). Receipt of adjudication decision. Retrieved from <https://links.sgx.com/FileOpen/2021%2004%2026%20Announcement%20adjudication%20decision.ashx?App=Announcement&FileID=662557>
- 37 *Ibid.*
- 38 MYR/USD = 0.209. Date chosen: 2024, April 18
- 39 Hatten Land Limited. (2020, August 11). Announcement for proposed divestment of GMSB. Retrieved from <https://links.sgx.com/FileOpen/2020%2008%2011%20Announcement%20for%20proposed%20divestment%20of%20GMSB.ashx?App=Announcement&FileID=627159>
- 40 *Ibid.*
- 41 *Ibid.*
- 42 Poo, C. (2020, August 25). Singapore firm to rescue Hatten Land's mega project in Melaka. *The Edge Malaysia*. Retrieved from <https://theedgemaalaysia.com/article/singapore-firm-rescue-hatten-lands-mega-project-melaka>
- 43 Hatten Land Limited. (2021, June 24). Response to SGX queries. Retrieved from <https://links.sgx.com/FileOpen/HLL%20-%20Response%20to%20SGX%20Queries.ashx?App=Announcement&FileID=672183>
- 44 Hatten Land Limited. (2021, September 17). Update on proposed divestment of subsidiary, Gold Mart Sdn Bhd. Retrieved from <https://links.sgx.com/FileOpen/Announcemnt%20Update%20on%20Divestment%20of%20GM.ashx?App=Announcement&FileID=683886>
- 45 Hatten Land Limited. (2023, February 14). Update on proposed divestment of subsidiary, Gold Mart Sdn Bhd. Retrieved from <https://links.sgx.com/FileOpen/Update%20on%20Proposed%20Divestment%20of%20Subsidiary%20Gold%20Mart%20Sdn%20Bhd.ashx?App=Announcement&FileID=746657>
- 46 Lim, J. (2023, May 19). Hatten Land refutes claim of probe into its unit over Melaka project Harbour City. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/hatten-land-refutes-claim-unit-under-probe-for-melaka-project-harbour-city#:~:text=Hatten%20Land%20said%3A%20%E2%80%9CThe%20main,the%20Covid%2D19%20pandemic.%E2%80%9D>
- 47 Hatten Land Limited. (2023, May 19). Clarification of media articles. Retrieved from <https://links.sgx.com/FileOpen/Clarification%20on%20Media%20Articles.ashx?App=Announcement&FileID=759896>
- 48 *Ibid.*
- 49 *Ibid.*
- 50 *Ibid.*
- 51 *Ibid.*
- 52 Hatten Land Limited. (2023, August 15). Update to Harbour City Project. Retrieved from <https://links.sgx.com/FileOpen/Harbour%20City%20Project%20Complied%20to%20Regulations.ashx?App=Announcement&FileID=769250>
- 53 Hamzah, A. (2023, April 2). S'pore-listed property developer Hatten Land plans to restart work on Melaka project after years of delays. *The Straits Times*. Retrieved from <https://www.straitstimes.com/singapore/s-pore-property-developer-plans-to-restart-construction-on-melaka-project-after-years-of-delays>

- 54 *Ibid.*
- 55 *Ibid.*
- 56 Hatten Land Limited. (2024, June 28). Monthly update for June 2024. Retrieved from <https://links.sgx.com/FileOpen/Monthly%20Update%20for%20June%202024.ashx?App=Announcement&FileID=808280>
- 57 Hatten Land Limited. (2024, March 25). Court approval of scheme of arrangement for Gold Mart Sdn Bhd. Retrieved from <https://links.sgx.com/FileOpen/Court%20Approval%20of%20Scheme%20of%20Arrangement%20for%20Gold%20Mart%20Sdn%20Bhd.ashx?App=Announcement&FileID=793026>
- 58 Hatten Land Limited. (2023, September 13). Update on proposed scheme of arrangement for Gold Mart Sdn Bhd. Retrieved from <https://links.sgx.com/FileOpen/Update%20on%20Proposed%20Scheme%20of%20Arrangement%20for%20Gold%20Mart%20Sdn%20Bhd.ashx?App=Announcement&FileID=772190>
- 59 Hatten Land Limited. (2017, August 17). FY2017 Results Corporate Presentation. Retrieved from <https://links.sgx.com/FileOpen/2017.08.17-%20Corp%20Presentation%20Slides.ashx?App=ArchiveAnnouncement&FileID=467506&AnncID=RRO64BMQKP23N4IQ>
- 60 Hatten Land Limited. (2023, March 20). Clarification of media articles and business update. Retrieved from <https://links.sgx.com/FileOpen/Clarification%20on%20Media%20Articles%20and%20Business%20Update.ashx?App=Announcement&FileID=750401>
- 61 Hatten Land Limited. (2024, April 1). Monthly update for March 2024. Retrieved from <https://links.sgx.com/FileOpen/Monthly%20Update%20for%20March%202024.ashx?App=Announcement&FileID=794050>
- 62 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 63 Hatten Land Limited. (2024, August 4). Announcement of request for trading halt. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/4D0KXVVK4RGWNI5O/22057bb3b634ea9880633b336de8eda2b2cf7143d2221d3e0fa5371e28af4dcc>
- 64 Hatten Land Limited. (2024, August 15). Court application to place the Company under judicial management. Retrieved from <https://links.sgx.com/FileOpen/Court%20Application%20to%20Place%20the%20Company%20under%20Judicial%20Management%20and%20Winding-up%20of%20an%20Inactive%20Subsidiary.ashx?App=Announcement&FileID=814298>
- 65 Hatten Land Limited. (2024, August 21). Update of interim judicial management application. Retrieved from <https://links.sgx.com/FileOpen/Update%20of%20Interim%20Judicial%20Management%20Application%20-%20Appointment%20of%20Interim%20Judicial%20Managers.ashx?App=Announcement&FileID=816465>
- 66 Hatten Land Limited. (2024, October 14). Update of judicial management application. Retrieved from <https://links.sgx.com/FileOpen/Update%20of%20Judicial%20Management%20Application%20-%20Appointment%20of%20Judicial%20Managers.ashx?App=Announcement&FileID=821984>
- 67 Hatten Land Limited. (2021, December 15). Annual Report 2021. Retrieved from <https://links.sgx.com/FileOpen/Hatten%20Land%20Limited%20AR%20FY2021.ashx?App=Announcement&FileID=694454>
- 68 Hatten Land Limited. (2021, December 28). Hatten Land unwind acquisition of Unicity Project to align with strategic pivot. Retrieved from <https://links.sgx.com/FileOpen/Press%20Release-termination%20agreement.ashx?App=Announcement&FileID=695861>
- 69 Hatten Land Limited. (2021, December 30). Results of extraordinary general meeting. Retrieved from <https://links.sgx.com/FileOpen/Announcement%20EGM%20results%2030%20Dec2021.ashx?App=Announcement&FileID=696102>
- 70 Hatten Land Limited. (2021, December 15). Hatten Land seeks shareholder approval to diversify business model and align towards the digital economy. Retrieved from <https://links.sgx.com/FileOpen/Press%20release-proposed%20diversification%20of%20the%20current%20business.ashx?App=Announcement&FileID=694280>
- 71 Hatten Land Limited. (2020, June 29). Proposed acquisition of 20% equity interest in ECXX Global Pte. Ltd. Retrieved from <https://links.sgx.com/FileOpen/2020%2006%2030%20announcement%20on%20acquisition%20of%20ECXX.ashx?App=Announcement&FileID=621860>
- 72 *Ibid.*
- 73 *Ibid.*
- 74 *Ibid.*
- 75 Hatten Land Limited. (2020, July 29). Response to SGX queries. Retrieved from <https://links.sgx.com/FileOpen/2020%2007%2029%20Announcement%20Response%20to%20SGX%20Queries.ashx?App=Announcement&FileID=625562>
- 76 Hatten Land Limited. (2024, February 12). Unaudited financial statements and dividend announcement for the second quarter ended 31 December 2023. Retrieved from <https://links.sgx.com/FileOpen/Half%20Yearly%20Q%20FY2024%20Results%20Announcement.ashx?App=Announcement&FileID=786523>

- 77 MYR/USD = 0.209. Date chosen: 2024, April 18
- 78 Hatten Land Limited. (2024, February 12). Unaudited financial statements and dividend announcement for the second quarter ended 31 December 2023. Retrieved from <https://links.sgx.com/FileOpen/Half%20Yearly%20Q%20FY2024%20Results%20Announcement.ashx?App=Announcement&FileID=786523>
- 79 Subramaniam, V. (2021, September 29). Hatten Land agrees to operate 1,000 crypto mining rigs in Malaysia. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-agrees-operate-1000-crypto-mining-rigs-malaysia>
- 80 *Ibid.*
- 81 *Ibid.*
- 82 *Ibid.*
- 83 Zhu, M. (2022, March 31). Hatten Land enters new partnership for up to 550 more crypto mining rigs. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-enters-new-partnership-550-more-crypto-mining-rigs>
- 84 The Business Times. (2021, November 1). Hatten Land forms JV with Hydra X; to raise S\$1.2m via private placement. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-forms-jv-hydra-x-raise-s12m-private-placement>
- 85 *Ibid.*
- 86 *Ibid.*
- 87 Hatten Land Limited. (2022, March 31). Hatten Land attracts new partner for its crypto mining activities with additional 550 crypto mining rigs can be installed and operated in 2022. Retrieved from <https://links.sgx.com/FileOpen/Press%20Release%20on%20550%20Additional%20Crypto%20Mining%20Rigs.ashx?App=Announcement&FileID=709103>
- 88 Tan, N. L. (2021, October 7). Hatten Land to develop token system, NFTs for digital tourism in Melaka. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-develop-token-system-nfts-digital-tourism-melaka>
- 89 *Ibid.*
- 90 *Ibid.*
- 91 *Ibid.*
- 92 Hatten Land Limited. (2021, December 15). Annual Report 2021. Retrieved from <https://links.sgx.com/FileOpen/Hatten%20Land%20Limited%20AR%20FY2021.ashx?App=Announcement&FileID=694454>
- 93 Lim, J. (2022, April 20). Hatten Land forms JV and collaboration with e-sports organisations as part of business pivot. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-forms-jv-and-collaboration-e-sports-organisations-part-business-pivot>
- 94 *Ibid.*
- 95 MYR/USD = 0.209. Date chosen: 2024, April 18
- 96 Lim, J. (2022, April 20). Hatten Land forms JV and collaboration with e-sports organisations as part of business pivot. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-forms-jv-and-collaboration-e-sports-organisations-part-business-pivot>
- 97 CNY/USD = 0.138. Date chosen: 2024, April 18
- 98 Lim, J. (2022, April 13). Hatten Land to rebrand Melaka mall into e-sports hub, aims to raise \$5m via new shares. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/hatten-land-rebrands-melaka-mall-into-e-sports-hub-raises-5m-via-new-shares>
- 99 Tay, V. (2022, May 5). Hatten Land, Focus Media to jointly invest 8m yuan in Melaka mall e-sports hub. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-focus-media-jointly-invest-8m-yuan-melaka-mall-e-sports-hub>
- 100 Hatten Land Limited. (2022, August 18). Hatten Land Signs Partnership Agreement to Launch The World's First-of-its-Kind Mobile Legends. Retrieved from <https://links.sgx.com/FileOpen/Press%20Release%20on%20Partnership%20Agreement%20with%20Mobile%20Legends%20Bang%20Bang.ashx?App=Announcement&FileID=728999>
- 101 Tan, N. L. (2021, November 10). Hatten Land entered a JV to manage solar panel facilities in Malaysia. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-enters-jv-manage-solar-panel-facilities-malaysia>

- 102 Hatten Land Limited. (2022, September 16). Entry into shareholders' agreement with NEFIN and entry into solar panel power purchase agreement with Trend Technologies. Retrieved from <https://links.sgx.com/FileOpen/Hatten%20Land%20Raised%20Funds%20of%20Up%20to%20USD10%20million%20for%20Renewable%20Energy%20and%20Secured%20SPPA%20in%20Singapore.ashx?App=Announcement&FileID=731761>
- 103 *Ibid.*
- 104 Hatten Land Limited. (2023, March 11). Termination of agreements with NEFIN and Trend Technologies. Retrieved from <https://links.sgx.com/FileOpen/Termination%20of%20Agreements%20with%20NEFIN%20and%20Trend%20Technologies.ashx?App=Announcement&FileID=752084>
- 105 Hatten Land Limited. (2022, November 29). Annual Report 2022. Retrieved from <https://links.sgx.com/FileOpen/HLL%20Annual%20Report%20FY2022.ashx?App=Announcement&FileID=740229>
- 106 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 107 Hatten Land Limited. (2022, November 29). Annual Report 2022. Retrieved from <https://links.sgx.com/FileOpen/HLL%20Annual%20Report%20FY2022.ashx?App=Announcement&FileID=740229>
- 108 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 109 Hatten Land Limited. (2022, November 29). Annual Report 2022. Retrieved from <https://links.sgx.com/FileOpen/HLL%20Annual%20Report%20FY2022.ashx?App=Announcement&FileID=740229>
- 110 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 111 Hatten Land Limited. (2023, February 14). Unaudited financial statements and dividend announcement for the second quarter ended 31 December 2022. Retrieved from <https://links.sgx.com/FileOpen/Half%20Yearly%20Q%20FY2023%20Results%20Announcement.ashx?App=Announcement&FileID=746656>
- 112 MYR/USD = 0.209. Date chosen: 2024, April 18
- 113 Hatten Land Limited. (2022, December 22). Receipt of letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Receipt%20of%20Letter%20of%20Demand.ashx?App=Announcement&FileID=742360>
- 114 *Ibid.*
- 115 MYR/USD = 0.209. Date chosen: 2024, April 18
- 116 Hatten Land Limited. (2024, March 1). Update on letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Update%20on%20letter%20of%20demand.ashx?App=Announcement&FileID=790922>
- 117 Hatten Land Limited. (2023, February 6). Receipt of letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Receipt%20of%20Letter%20of%20Demand.ashx?App=Announcement&FileID=745890>
- 118 Hatten Land Limited. (2023, February 6). Receipt of letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Receipt%20of%20Letter%20of%20Demand.ashx?App=Announcement&FileID=745890>
- 119 The Business Times. (2020, July 8). Hatten Land bondholders agree to defer repayment again. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/hatten-land-bondholders-agree-defer-repayment-again>
- 120 *Ibid.*
- 121 *Ibid.*
- 122 *Ibid.*
- 123 MYR/USD = 0.209. Date chosen: 2024, April 18
- 124 Hatten Land Limited. (2023, November 14). Receipt of letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Receipt%20of%20letter%20of%20demand.ashx?App=Announcement&FileID=778254>
- 125 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 126 MYR/USD = 0.209. Date chosen: 2024, April 18
- 127 Hatten Land Limited. (2023, November 14). Receipt of letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Receipt%20of%20letter%20of%20demand.ashx?App=Announcement&FileID=778254>

- 128 Hatten Land Limited. (2023, November 14). Receipt of letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Receipt%20of%20letter%20of%20demand.ashx?App=Announcement&FileID=778254>
- 129 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 130 *Ibid.*
- 131 Hatten Land Limited. (2024, February 1). Receipt of letter of default. Retrieved from <https://links.sgx.com/FileOpen/Receipt%20of%20notice%20of%20default.ashx?App=Announcement&FileID=785503>
- 132 *Ibid.*
- 133 MYR/USD = 0.209. Date chosen: 2024, April 18
- 134 Hatten Land Limited. (2024, March 28). Appointment of financial advisor and receipt of notice of default and letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Appointment%20of%20Financial%20Advisor%20and%20Receipt%20of%20Notice%20of%20Default%20and%20Letter%20of%20Demand.ashx?App=Announcement&FileID=793782>
- 135 Hatten Land Limited. (2023, March 24). Issuance of RM12,350,000 notes under the medium term note programme (“MTM Programme”). Retrieved from <https://links.sgx.com/FileOpen/Issuance%20of%20Notes%20under%20the%20Medium%20Term%20Note%20Programme.ashx?App=Announcement&FileID=750998>
- 136 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 137 Hatten Land Limited. (2024, March 28). Appointment of financial advisor and receipt of notice of default and letter of demand. Retrieved from <https://links.sgx.com/FileOpen/Appointment%20of%20Financial%20Advisor%20and%20Receipt%20of%20Notice%20of%20Default%20and%20Letter%20of%20Demand.ashx?App=Announcement&FileID=793782>
- 138 Hatten Land Limited. (2020, July 2). Restructuring of MDSA Resources Sdn Bhd and MDSA Ventures Sdn Bhd. Retrieved from <https://links.sgx.com/FileOpen/2020%2007%2002%20Announcement%20Restructuring.ashx?App=Announcement&FileID=622253>
- 139 MYR/USD = 0.209. Date chosen: 2024, April 18
- 140 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 141 MYR/USD = 0.209. Date chosen: 2024, April 18
- 142 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 143 *Ibid.*
- 144 Hatten Land Limited. (2021, January 7). Restructuring of MDSA Ventures Sdn Bhd and sanction of court obtained for scheme of arrangement on 6 January 2021. Retrieved from <https://links.sgx.com/FileOpen/2021%2001%2007%20Announcement%20-%20MVS%20Sanction.ashx?App=Announcement&FileID=644550>
- 145 MDSA Resources Sdn Bhd v. Adrian Sia Koon Leng [2023] 5 MLRA. Retrieved from https://www.elaw.my/JE/01/JE_2023_34.pdf
- 146 *Ibid.*
- 147 MYR/USD = 0.209. Date chosen: 2024, April 18
- 148 Hatten Land Limited. (2023, June 14). Gold Mart Sdn Bhd – Proposed scheme of arrangement. Retrieved from <https://links.sgx.com/FileOpen/Proposed%20Scheme%20of%20Arrangement%20for%20Gold%20Mart%20Sdn%20Bhd.ashx?App=Announcement&FileID=762503>
- 149 Hatten Land Limited. (2023, September 13). Update on proposed scheme of arrangement for Gold Mart Sdn Bhd. Retrieved from <https://links.sgx.com/FileOpen/Update%20on%20Proposed%20Scheme%20of%20Arrangement%20for%20Gold%20Mart%20Sdn%20Bhd.ashx?App=Announcement&FileID=772190>
- 150 *Ibid.*
- 151 *Ibid.*
- 152 *Ibid.*
- 153 Hatten Land Limited. (2024, March 25). Court approval of scheme of arrangement for Gold Mart Sdn Bhd. Retrieved from <https://links.sgx.com/FileOpen/Court%20Approval%20of%20Scheme%20of%20Arrangement%20for%20Gold%20Mart%20Sdn%20Bhd.ashx?App=Announcement&FileID=793026>

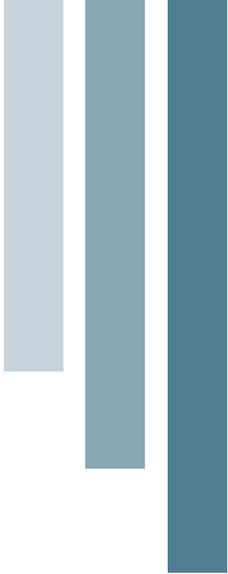
- 154 Hatten Land Limited. (2024, March 6). Responses to SGX-ST's queries. Retrieved from <https://links.sgx.com/FileOpen/Response%20to%20SGX%20queries.ashx?App=Announcement&FileID=791275>
- 155 *Ibid.*
- 156 Hatten Land Limited. (2019, August 28). Unaudited financial statements announcement for full year ended 30 June 2019. Retrieved from <https://links.sgx.com/FileOpen/2019%2008%2028%20FY2019%20results%20announcement.ashx?App=Announcement&FileID=576511>
- 157 MYR/USD = 0.209. Date chosen: 2024, April 18
- 158 Hatten Land Limited. (2022, November 29). Annual Report 2022. Retrieved from <https://links.sgx.com/FileOpen/HLL%20Annual%20Report%20FY2022.ashx?App=Announcement&FileID=740229>
- 159 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 160 Hatten Land Limited. (2022, October 14). Extension of time application to hold the annual general meeting ("AGN") for the financial year ended 30 June 2022. Retrieved from <https://links.sgx.com/FileOpen/Announcement%20for%20application%20of%20EOT%20AGM%20FY2022.ashx?App=Announcement&FileID=734461>
- 161 *Ibid.*
- 162 *Ibid.*
- 163 *Ibid.*
- 164 *Ibid.*
- 165 *Ibid.*
- 166 Accounting and Corporate Regulatory Authority of Singapore. (n.d.). Timeline for holding AGMs. Retrieved from <https://www.acra.gov.sg/how-to-guides/annual-general-meetings/timeline-for-holding-agms>
- 167 Hatten Land Limited. (2022, October 31). Approval from the Accounting and Corporate Regulatory Authority for extension of time application to hold the annual general meeting ("AGM") for the financial year ended 30 June 2022. Retrieved from <https://links.sgx.com/FileOpen/Announcement%20ACRA%20approval%20EOT%20to%20hold%20the%20AGM.ashx?App=Announcement&FileID=737077>
- 168 Hatten Land Limited. (2021, August 25). Approval in respect of extension of time application to the Singapore Exchange Securities Trading Limited ("SGX-ST"). Retrieved from <https://links.sgx.com/FileOpen/Announcement%20for%20approval%20EOT%20to%20hold%20the%20AGM%20and%20results%20announcement.ashx?App=Announcement&FileID=681402>
- 169 Hatten Land Limited. (2021, August 3). Extension of time application to the Singapore Exchange Regulation Pte Ltd. Retrieved from <https://links.sgx.com/FileOpen/Announcement%20for%20application%20of%20EOT%20to%20hold%20the%20AGM%20and%20results%20announcement.ashx?App=Announcement&FileID=677210>
- 170 Hatten Land Limited. (2023, November 22). Approval from the Accounting and Corporate Regulatory Authority of Singapore for extension of time application to hold the annual general meeting ("AGM") for the financial year ended 30 June 2023. Retrieved from <https://links.sgx.com/FileOpen/ACRA%20approval%20of%20EOT%20to%20hold%20the%20AGM.ashx?App=Announcement&FileID=778881>
- 171 Hatten Land Limited. (2019, November 8). Annual Report 2019. Retrieved from <https://links.sgx.com/FileOpen/Haatten%20Land%20Annual%20Report%20FY2019.ashx?App=Announcement&FileID=585094>
- 172 Hatten Land Limited. (2020, October 15). Annual Report 2020. Retrieved from <https://links.sgx.com/FileOpen/HattenLand%20AR%20FY2020.ashx?App=Announcement&FileID=635438>
- 173 Hatten Land Limited. (2021, December 15). Annual Report 2021. Retrieved from <https://links.sgx.com/FileOpen/Hatten%20Land%20Limited%20AR%20FY2021.ashx?App=Announcement&FileID=694454>
- 174 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 175 Hatten Land Limited. (2025, April 3). Letter from ACRA in relation to compliance with accounting standards under section 201(5) of the Companies Act. Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Annc%20-%20Compliance%20with%20Accounting%20Standards.ashx?App=Announcement&FileID=838742>
- 176 *Ibid.*
- 177 *Ibid.*

- 178 Hatten Land Limited. (2019, November 8). Annual Report 2019. Retrieved from <https://links.sgx.com/FileOpen/Haatten%20Land%20Annual%20Report%20FY2019.ashx?App=Announcement&FileID=585094>
- 179 *Ibid.*
- 180 *Ibid.*
- 181 Hatten Land Limited. (2020, February 20). Results of extraordinary general meeting. Retrieved from https://links.sgx.com/FileOpen/Announcement%20EGM%20results_%2020Feb2020.ashx?App=Announcement&FileID=597139
- 182 Hatten Land Limited. (2020, October 15). Annual Report 2020. Retrieved from <https://links.sgx.com/FileOpen/HattenLand%20AR%20FY2020.ashx?App=Announcement&FileID=635438>
- 183 *Ibid.*
- 184 *Ibid.*
- 185 Hatten Land Limited. (2023, December 29). Notice of annual general meeting. Retrieved from <https://links.sgx.com/FileOpen/Notice%20of%20AGM%20-%20FY2023.ashx?App=Announcement&FileID=781915>
- 186 *Ibid.*
- 187 Hatten Land Limited. (n.d.). Corporate information. Retrieved from <https://links.sgx.com/1.0.0/corporate-information/2437>
- 188 Singapore Exchange Limited. (n.d.). Appendix 2D Sponsor Independence. Retrieved from <https://rulebook.sgx.com/rulebook/appendix-2d-sponsor-independence>
- 189 Hatten Land Limited. (2023, March 31). Change of continuing sponsor. Retrieved from <https://links.sgx.com/FileOpen/Change%20of%20Continuing%20Sponsor.ashx?App=Announcement&FileID=752036>
- 190 Hatten Land Limited. (2017, August 31). Announcement of appointment of chief financial officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/XOPGTAX5FOTNPP50/e63d2149f7e545fc1617520354c8834a39d0ea6906e416b016f3c2e739ed2a39>
- 191 Hatten Land Limited. (2017, December 29). Announcement of cessation as chief financial officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/CKLAHVJ3XPUGH8CG4/dc23245ce2836375925e8e417fb664e86e4112604303e45866c4efaf6e48f098>
- 192 Hatten Land Limited. (2017, December 29). Announcement of appointment of chief financial officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/X4LLOLZ8C1UST05Q/0446dfcb6ae1208e9ba9b0940660e64eb50d1537d2f7e53474b55b8ef5eae3d>
- 193 Hatten Land Limited. (2018, April 30). Announcement of cessation of chief financial officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/XYO6BQ6VX9IMW4ML/9e5e2fd34eb777667235318cdfb3521960a4f262bc88f8724624f2358850e602>
- 194 Tan, F. (2021, March 9). Hatten Land's CFO quits after slightly less than a year in position. *Yahoo! News*. Retrieved from <https://sg.news.yahoo.com/hatten-lands-cfo-quits-slightly-063251047.html>
- 195 Hatten Land Limited. (2020, April 2). Announcement of appointment of chief financial officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/Z7C7YNH2TCSJA8K6/85742eb4c8866d690bf013402fa9fe0ad6605625a19c8f6aee6704d650452a8a>
- 196 Tan, F. (2021, March 9). Hatten Land's CFO quits after slightly less than a year in position. *Yahoo! News*. Retrieved from <https://sg.news.yahoo.com/hatten-lands-cfo-quits-slightly-063251047.html>
- 197 Hatten Land Limited. (2021, March 9). Announcement of cessation of Chong Heng Loong as chief financial officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/Y5K4IJESBOWZ7TOE/36cbfcde4f75cf563b89399d64f7723019906525ccf93f4ffa9654285e8e8e56>
- 198 *Ibid.*
- 199 *Ibid.*
- 200 Hatten Land Limited. (2021, March 9). Announcement of appointment of financial controller. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/UGCICL8FRHWZWT8M/f6a89bab2113ff58c97d4c3f7ab63360cf7dda04c2b0401bb3495b3d00cd831>
- 201 *Ibid.*
- 202 Hatten Land Limited. (2023, January 31). Announcement of cessation of financial controller. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/72UTSF6Q8QAKSZ4Y/1fd99303b9be1e295642bc4c56ff013e275371d23c2361338d8de2ce74d21c84>
- 203 *Ibid.*

- 204 Hatten Land Limited. (2023, January 31). Announcement of appointment of group financial controller. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/JNPHEKR9LWK655B/d3ffda19529857fb8a46ca7bebeef2fb516c1b9c8862673da62e6459797e4473>
- 205 *Ibid.*
- 206 Monetary Authority of Singapore. (2018, August 6). Code of Corporate Governance. Retrieved from <https://www.mas.gov.sg/-/media/MAS/Regulations-and-Financial-Stability/Regulatory-and-Supervisory-Framework/Corporate-Governance-of-Listed-Companies/Code-of-Corporate-Governance-6-Aug-2018.pdf>
- 207 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 208 *Ibid.*
- 209 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 210 *Ibid.*
- 211 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 212 Hatten Land Limited. (2021, December 15). Announcement of retirement of independent director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/D2RLPANNTZRUU1IG/074b52266a6efa02f056adf7f2e0d33a6322d85c6907c4e0dc17ff4f6159797c>
- 213 *Ibid.*
- 214 Hatten Land Limited. (n.d.). Board Of Directors. Retrieved from <https://hattenland.com.sg/board-of-directors/>
- 215 Hatten Land Limited (2023, December 15). Announcement of retirement of independent director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/90VS9PXQNJ5UIB1R/866978e914e909300474236576a9234eb5d0bd8573c675e96da2022eb947d59f>
- 216 Hatten Land Limited (2023, December 15). Announcement of retirement of independent director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/AQDL43AVNB5M7Y6H/11cde9185a7b7abfa20a3e75cb008f01ad2e5ac8ed38f82569b7bd75916d3c71>
- 217 Hatten Land Limited (2023, December 29). Announcement of appointment of independent director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/HZMGMBDFWQIQG6LF/b9149579576e8960393aee7465368b4846a7346953d073bd90ff1d45f1c94b2e>
- 218 Hatten Land Limited. (n.d.). Board Of Directors. Retrieved from <https://hattenland.com.sg/board-of-directors/>
- 219 Hatten Land Limited (2023, December 29). Announcement of redesignation of independent non-executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/XVLVUWKQPICVK34U/f1cd82db1d3b39452c8c98d1ab7400f984a4fd12e6a0386d0543549c8432987f>
- 220 Hatten Land Limited (2024, March 28). Announcement of appointment of independent director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/OY9O2NPN46CJVYMN/80d501c0e96855a96b1f2071d9237178e58c59e23de6783103a36b44018c2c10>
- 221 Hatten Land Limited. (n.d.). Board Of Directors. Retrieved from <https://hattenland.com.sg/board-of-directors/>
- 222 Hatten Land Limited. (2018, June 30). Announcement of appointment of corporate advisor. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/HG3Q0KXAY94NL0W6/afe06da1b3cf5778E4719244ad5db5cb7e1b5e7af12d76098c91960e480145aea>
- 223 *Ibid.*
- 224 *Ibid.*
- 225 Capital World Limited. (2025, January 8). Appointment of managing director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/EO9C23ES6FO7XDQL/15dbd474917293c35e117e4cfa28e224a3384d954ef827d016a0a065ce4c67a1>
- 226 *Ibid.*
- 227 *Ibid.*
- 228 Hatten Land Limited. (2022, August 29). Unaudited financial statements and dividend announcement for the fourth quarter ended 30 June 2022. Retrieved from <https://links.sgx.com/FileOpen/FY2022%20results%20announcement.ashx?App=Announcement&FileID=730207>

- 229 Hatten Land Limited. (2018, October 10). Annual Report 2018. Retrieved from <https://links.sgx.com/FileOpen/2018.10.10%20Annual%20Report%20FY2018.ashx?App=ArchiveAnnouncement&FileID=529016&AnncID=POLQIXOER24OUKI9>
- 230 Monetary Authority of Singapore. (2018, August 6). Code of Corporate Governance. Retrieved from <https://www.mas.gov.sg/-/media/MAS/Regulations-and-Financial-Stability/Regulatory-and-Supervisory-Framework/Corporate-Governance-of-Listed-Companies/Code-of-Corporate-Governance-6-Aug-2018.pdf>
- 231 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 232 Hatten Land Limited. (2019, November 8). Annual Report 2019. Retrieved from <https://links.sgx.com/FileOpen/Haatten%20Land%20Annual%20Report%20FY2019.ashx?App=Announcement&FileID=585094>
- 233 Hatten Land Limited. (2020, October 15). Annual Report 2020. Retrieved from <https://links.sgx.com/FileOpen/HattenLand%20AR%20FY2020.ashx?App=Announcement&FileID=635438>
- 234 Hatten Land Limited. (2021, December 15). Annual Report 2021. Retrieved from <https://links.sgx.com/FileOpen/Hatten%20Land%20Limited%20AR%20FY2021.ashx?App=Announcement&FileID=694454>
- 235 Hatten Land Limited. (2022, November 29). Annual Report 2022. Retrieved from <https://links.sgx.com/FileOpen/HLL%20Annual%20Report%20FY2022.ashx?App=Announcement&FileID=740229>
- 236 Hatten Land Limited. (2023, December 14). Annual Report 2023. Retrieved from https://links.sgx.com/FileOpen/AR%20Clean%2011_reduced%20size.ashx?App=Announcement&FileID=780836
- 237 Hatten Land Limited. (2017, October 11). Appendix dated 11 October 2017. Retrieved from <https://links.sgx.com/FileOpen/2017.10.11-%20Appendix%20to%20Notice%20of%20AGM.ashx?App=ArchiveAnnouncement&FileID=473627&AnncID=539MNVL3MHOG2EBW>
- 238 Hatten Land Limited. (2017, October 11). Appendix dated 11 October 2017. Retrieved from <https://links.sgx.com/FileOpen/2017.10.11-%20Appendix%20to%20Notice%20of%20AGM.ashx?App=ArchiveAnnouncement&FileID=473627&AnncID=539MNVL3MHOG2EBW>
- 239 Hatten Land Limited. (2018, October 10). Annual Report 2018. Retrieved from <https://links.sgx.com/FileOpen/2018.10.10%20Annual%20Report%20FY2018.ashx?App=ArchiveAnnouncement&FileID=529016&AnncID=POLQIXOER24OUKI9>
- 240 Mak, Y. T., & Lai, M. (2019, January 16). Where To, Catalist? *Governance for Stakeholders*. Retrieved from https://governanceforstakeholders.com/wp-content/uploads/2019/01/Catalist_report_160119_public-version.pdf
- 241 *Ibid.*
- 242 *Ibid.*
- 243 Singapore Exchange Limited. (n.d.). 406. Retrieved from <https://rulebook.sgx.com/rulebook/406>
- 244 *Ibid.*
- 245 Singapore Exchange Limited. (n.d.). 210. Retrieved from <https://rulebook.sgx.com/rulebook/210>
- 246 Mak, Y. T., & Lai, M. (2019, January 16). Where To, Catalist? *Governance for Stakeholders*. Retrieved from https://governanceforstakeholders.com/wp-content/uploads/2019/01/Catalist_report_160119_public-version.pdf
- 247 *Ibid.*
- 248 *Ibid.*
- 249 Singapore Exchange Limited. (n.d.). 406. Retrieved from <https://rulebook.sgx.com/rulebook/406>
- 250 Singapore Exchange Limited. (n.d.). 221. Retrieved from <https://rulebook.sgx.com/rulebook/221-2>
- 251 Mak, Y. T., & Lai, M. (2019, January 16). Where To, Catalist? *Governance for Stakeholders*. Retrieved from https://governanceforstakeholders.com/wp-content/uploads/2019/01/Catalist_report_160119_public-version.pdf
- 252 *Ibid.*
- 253 *Ibid.*
- 254 Hatten Land Limited. (2019, January 30). Intention to transfer listing from the Catalist Board of the Singapore Exchange Securities Trading Limited to the Mainboard regime. Retrieved from <https://links.sgx.com/FileOpen/2019%20001%2030%20-%20announcement%20on%20intention%20to%20transfer%20of%20listing.ashx?App=ArchiveAnnouncement&FileID=542210&AnncID=ADZ8YMNZUNXQCSN5>

- 255 Hatten Land Limited. (2019, May 7). Intention to transfer listing from the Catalist Board of the Singapore Exchange Securities Trading Limited to the Mainboard regime – outcome of application. Retrieved from <https://links.sgx.com/FileOpen/2019%2005%2007-%20announcement%20on%20outcome%20of%20transfer%20of%20listing.ashx?App=ArchiveAnnouncement&FileID=558335&AnncID=ZCNBKD6IJ02CMAG2>
- 256 *Ibid.*
- 257 Hatten Land Limited. (2024, December 1). Monthly update pursuant to Catalist rule 704(22). Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Monthly%20Announcement%20Nov%202024.ashx?App=Announcement&FileID=826894>
- 258 Hatten Land Limited. (2024, September 18). Entry into binding key terms in relation to the proposed strategic investment between Hungchi Enterprise Pte. Ltd. and Hatten Land Limited. Retrieved from <https://links.sgx.com/FileOpen/Entry%20into%20Binding%20Key%20Terms%20in%20Relation%20to%20the%20Proposed%20Strategic%20Investment.ashx?App=Announcement&FileID=819038>
- 259 Hatten Land Limited. (2025, April 3). Lodgement with ACRA on notice of extension of appointment of judicial manager. Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Annc%20-%20ACRA%20Lodgement%20on%20Extension%20of%20JM.ashx?App=Announcement&FileID=838740>
- 260 Hatten Land Limited. (2025, January 1). Monthly update pursuant to Catalist rule 704(22). Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Monthly%20Announcement%20Dec%202024.ashx?App=Announcement&FileID=829359>
- 261 Hatten Land Limited. (2025, March 18). Expiry of binding key terms in relation to the proposed strategic implementation agreement between Hungchi Enterprise Pte. Ltd. and Hatten Land Limited. Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Expiry%20of%20Strategic%20Investment.ashx?App=Announcement&FileID=836669>
- 262 *Ibid.*
- 263 Hatten Land Limited. (2024, December 1). Monthly update pursuant to Catalist rule 704(22). Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Monthly%20Announcement%20Nov%202024.ashx?App=Announcement&FileID=826894>
- 264 Hatten Land Limited. (2025, January 31). Monthly update pursuant to Catalist rule 704(22). Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Monthly%20Announcement%20Jan%202025.ashx?App=Announcement&FileID=831786>
- 265 Hatten Land Limited. (2025, June 27). Monthly update pursuant to Catalist rule 704(22). Retrieved from <https://links.sgx.com/FileOpen/HL%20Monthly%20Announcement%20June%202025.ashx?App=Announcement&FileID=850093>
- 266 Hatten Land Limited. (2025, March 11). Application for further extensions of time to comply with rules 705(1), 705(3)(b)(ii), 707(2), 711a and 707(1) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”). Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20Further%20EOT%20Application.ashx?App=Announcement&FileID=836169>
- 267 *Ibid.*
- 268 Hatten Land Limited. (2025, May 1). Update on application for further extension of time – receipt of no objection letter. Retrieved from <https://links.sgx.com/FileOpen/HL%20-%20SGX%20EOT%20Granted.ashx?App=Announcement&FileID=844152>
- 269 Hatten Land Limited. (2025, July 26). Cessation of executive chairman and managing director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/COUA816BOOW162TQ/00b9ba544e821eff7a85daf6200d2eff6e9fb406648e141d88391a11be5ee1b4>
- 270 Hatten Land Limited. (2025, July 26). Cessation of executive director and deputy managing director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/1N0HBC5WVPW79D8L/4d87055bfbf1d166bfc859dc47f94c30c5e09422918c61a9d4a8523bb1dbf0a3>



CHEMICAL INDUSTRIES: EXPLOSIVE CHEMISTRY*

Case overview

Soon after Singapore gained independence, Chemical Industries (Far East) Limited (CIL) was established as a manufacturer of chlorine, caustic soda, and other chlor-alkali products in Singapore to support Singapore's nascent industrialisation programme.¹ After over 60 years of family-led operations and a minimal increase in net income since the 90s, CIL today stands practically in the same financial position as it has been in the past few decades.

However, the past few years have been nothing short of eventful for the company, which has faced chemical leaks, revolving board members and familial conflicts. Amidst these issues, CIL's financial performance remains stagnated.

The objective of this case study is to facilitate discussion of issues such as corporate governance of family-controlled and managed companies; family governance issues; succession planning; transition from family management to professional management; board structure and composition; board and management turnover; related party transactions; remuneration; internal controls, risk management and internal audit; and regulatory effectiveness.

From seed to plant

Chemical Industries (Far East) Limited (CIL) was incorporated on 16 March 1962 as a private limited company and began its operations in July 1966² in Jalan Buroh before shifting its chemical plants to Jurong Island.³ It was listed on the SGX Mainboard on 17 December 1973.⁴ The company has two operating segments: the manufacture and sale of chemical products such as chlorine, as well as the management and renting of its investment properties.⁵ CIL's subsidiaries include Chem Transport Pte Ltd, Kimia Trading Pte. Ltd., Juta Properties Private Limited, Chemical Industries (Myanmar) Limited, and JPI Investments Pte Ltd.⁶

* This case study was originally prepared by Lim Eng Liang, Louise Kuan Yong Qi, Peh Qian Yu, Dionne, Quek Jia Hui Hannah, Toh Jun Wei and Trevor Wong Whye Kit. It has been edited by Rachel Tang Kai Xuan under the supervision of Professor Mak Yuen Teen, with additional content added. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

The company was founded by Lim Soo Peng (LSP) in response to the Singapore government's invitation to support Singapore's budding industrialisation programme in the sixties.⁷ LSP had served on the Board since its inception on 16 March 1962. He previously served as a member of Parliament for the first and second parliaments under then-Prime Minister Lee Kuan Yew.⁸ He was also appointed as Justice of Peace in 1966.⁹ In the past four decades, he had also served in several statutory boards and government committees.¹⁰

According to CIL's 2025 Annual Report, its largest shareholder is a company solely owned by LSP, S. P. Lim Holdings Pte Ltd, which has an interest of 49.28% in CIL. Its other substantial shareholders are The Great Eastern Life Assurance Co, with a shareholding of 17.68%, and Batu Kawan Berhad, an investment holding company listed on Bursa Malaysia,¹¹ with a shareholding of 6.55%.¹² Approximately 26.43% of the company's shares are held in the hands of the public.¹³

A leaking faucet

In 2016, a chlorine gas leak incident resulted in CIL pleading guilty to a charge under the Workplace Safety and Health Act for "failing to take reasonably practicable measures necessary to ensure the safety and health of persons".¹⁴ Two SCDF responders and five members of the public were exposed to the leaked chlorine gas and were admitted to hospital for treatment of side-effects ranging from eye irritation to difficulties in breathing.¹⁵

An investigation by the Ministry of Manpower (MOM) of the incident revealed that the gas leak was caused by a severely corroded fusible plug on a chlorine ton container. CIL had failed to conduct inspections of the fusible plugs, which rendered it completely unaware of the corrosion damage to the fusible plug.¹⁶ Due to the arrangement of the containers, the workers were unable to roll over the container to convert the liquid leak to a gas leak, which would have significantly reduced the impact of the leak.¹⁷ In addition, some of the suction pipes contained mesh filters that were ineffective in reducing the flowrate of air into the emergency scrubber and exhaust system, yet this was not detected by the company.¹⁸ CIL also lacked an effective Emergency Response Plan (ERP). The ERP only documented what should be done in the case of a gaseous chlorine leak, and did not account for a liquid chlorine leak.¹⁹

MOM concluded that CIL had committed multiple safety breaches, which showed "a clear disregard of the hazards at the workplace and had posed a safety risk to the public".²⁰ CIL was subsequently fined S\$200,000 by MOM for the chlorine leak incident.²¹

Bad chemistry

CIL came under scrutiny again after the release of its 2018 Annual Report, which reported a drop in gross profit margin by 9.1% from the previous year.²² This prompted the Securities Investors Association (Singapore) (SIAS) to question if CIL had any strategies in place to reverse the drop in profitability.²³ CIL responded that it planned on exploring market and product diversification via a number of partnerships it was about to engage in that year.²⁴

In the rough span of one month from May to June of 2018, CIL entered into two non-binding Memorandums of Understanding (MOUs) with Malaysia's May Chemical Sdn Bhd (May Chemical)²⁵ and Kazakhstan's Topan LLP (Topan).²⁶ These MOUs were signed with the intention of entering joint ventures with the involved parties.

May Chemical has a "long standing business relationship" with CIL of over three decades.²⁷ It engages principally in the trading of commercial and industrial chemicals within Malaysia and is one of the biggest independent traders in the country in terms of volume and range of chemicals offered.²⁸ CIL said that the partnership would advance the long-standing relationship with May Chemical to a new level of "sustainability and scalability",²⁹ and would enhance the viability of supplying chlorine to the larger Malaysian market.³⁰ In May 2018, CIL announced that the collaboration with May Chemical was forecasted to be completed in three months.³¹

Topan is an oilfield service company providing a broad range of services and products to industrial companies in many different industries, including those in pharmaceuticals, food, mining, and education.³² Through this partnership, CIL intended to establish a chlor-alkali manufacturing facility to expand its production across its Asian borders.³³

However, in May 2019, CIL announced that the MOU with May Chemical had been terminated due to legal, tax and accounting issues, and associated operational risks.³⁴ On 24 January 2020, CIL announced the termination of its MOU with Topan.³⁵ No reason was provided along with the announcement.³⁶

Shortly after the two terminated MOUs, CIL announced on 16 June 2020 that it had incorporated a wholly owned subsidiary with the aim of engaging in the principal activities of water, waste, and oilfield chemical treatment.³⁷ The subsidiary, Chem Integrated Management Pte Ltd (CIMPL), was intended as a vehicle for CIL to operate its business of waste treatment.³⁸ However, shortly after its incorporation, CIL disposed of the subsidiary in October 2020, after having reviewed the commercial viability of the subsidiary's intended business.³⁹ CIMPL was then sold to the potential partner whom CIL had been in discussions with to engage in business together, Jacob Tan.⁴⁰ Jacob Tan entered into the sale and purchase agreement, buying up the entire issued and paid-in capital of CIMPL for a consideration of S\$1.⁴¹ No further details were provided on Jacob Tan.⁴² This marked the third time in two years where CIL had attempted to expand its business but failed to carry through.

Another false positive

In January 2019, CIL incorporated a wholly-owned subsidiary, Chemical Industries (Myanmar) Limited (CIML) in Myanmar, with the goal of expanding its core business of manufacturing and wholesale of chemicals overseas.⁴³ In CIL's FY2021 financial statements, CIML was reported to contribute up to 8% of the group's total revenue.⁴⁴ CIML also saw the construction of a chemical processing plant to aid in its business activities.⁴⁵

However, the onset of the military coup in early 2021 adversely affected CIML's operations.⁴⁶ CIL reported that the coup, coupled with the second wave of COVID-19 in Myanmar, had heightened business risk in the near to medium term.⁴⁷ Increases in operating expenses as a result of COVID-19 and the political instability led to an impairment loss of S\$11.2 million for FY2021 for the CIL group.⁴⁸

Financial decay

CIL was valued at S\$3.04 per share in 1995, peaking at S\$4.06 in April 1996 before facing a constant decline, maintaining a share price of below S\$1.00 from around 2004. Since 2019, CIL has been trading in the low S\$0.70s. It faced a further dip to the S\$0.60s in December 2019. At the close of trading on 12 August 2025, its share price was just S\$0.50.

Dividends also saw a decrease from S\$0.05 per share in 2000 to a constant of S\$0.015 from 2018 to 2024, with an exception in 2016, when dividends increased to S\$0.12 per share.⁴⁹ In July 2025, the company announced that its final dividend for FY2025 was S\$0.005 per share.⁵⁰

Board composition or family tree?

At the head of CIL's Board in 2020 was then-Chairman and Managing Director (MD), LSP. He was also a member of the Remuneration Committee (RC) from FY2015 to FY2018, and a member of the Nominating Committee (NC) from FY2018 to July 2019.⁵¹ As of FY2021, LSP held a substantial shareholding of 45.57% in CIL through his solely-owned company, S.P. Lim Holdings Pte Ltd.⁵² This increased to 49.28% as of 18 June 2025.⁵³

In 2019, LSP was re-elected as Chairman of the Board, despite being required to retire pursuant to Article 95(2) of the Constitution of the company. This decision was recommended and approved by the NC, due to LSP's competencies, commitment, contribution, and performance, according to the NC.⁵⁴

In 1981, LSP's son, Lim Yew Tou Eric (LYTE), joined CIL's Board as an Executive Director (ED). He holds a Bachelor of Arts degree from the National University of Singapore and an Honours degree in Social Science.⁵⁵ Since then, LSP's sons, grandson and nephew have served on the Board and senior management. LYTE was involved in pursuing and overseeing CIL's new projects for over 20 years, such as shifting its manufacturing plant from Jalan Buroh to Jurong Island. LYTE left the Board in 2015 to "pursue his personal interests."⁵⁶

Another of LSP's sons, Lim Yew Khang Cecil (LYKC), joined the Group in 1980 and held various positions before being appointed as an ED in 1992.⁵⁷ He was involved in the company's investment, finance and commercial functions and had a financial investment background before joining CIL. LYKC graduated with a Bachelor of Arts degree in Social Science from the National University of Singapore and a Master of Science of Business Studies from the London Business School.⁵⁸

A third son of LSP, Dr. Lim Yew Cher Alex (LYCA), was appointed as a Non-Independent Non-Executive Director (NINED) of CIL in May 2015,⁵⁹ and was later redesignated as ED in September 2015.⁶⁰ He resigned from his position as ED in June 2016 due to "personal reason[s]".⁶¹ He possesses a Bachelor's degree in Medicine and Surgery and runs a private practice.⁶²

LSP's nephew, Lim Yew Tee Collin (LYTC), was subsequently appointed as ED in September 2015. He had joined CIL in 1997 as a project engineer before being promoted to deputy plant manager in 2002 and to plant manager in 2013.⁶³ He holds a Bachelor of Engineering (Honours) degree in Electrical Engineering from Nanyang Technological University and a Master of Science in Engineering Business Management from the University of Warwick.⁶⁴

Another son of LSP, Lim Yew Nghee (LYN), was appointed as NINED in 2019. LYN has a tax and trade law background. He concurrently served as a board member of the Tax Academy of Singapore and had prior experience as the Head of Baker McKenzie's Tax, Trade and Wealth Management practice in Singapore.⁶⁵

In 2020, CIL's Independent Directors (IDs) comprised Yeo Hock Chye (YHC), Dr. Wan Soon Bee (WSB), Lee Kian Jong Elaine (LKJE), Sng Peng Chye (SPC), and Chua Chin Kiat (CCK).⁶⁶

YHC was appointed as an ID on 1 July 2019. He was also appointed as Chairman of the Audit Committee (AC) and member of the NC and RC. He had previously served as Regional Head for Risk Management for Standard Chartered Bank.⁶⁷

WSB was appointed as an ID on 3 July 2000. He also served as Chairman of the RC and member of the AC and NC. He was a former Minister of State and was a Member of Parliament from 1980 to 2001.⁶⁸

LKJE was appointed as an ID on 15 September 2016. She served as Chairman of the NC and member of the AC and RC. She is a founder of two Investors Relations consultancies, both of which rank amongst the top 5 consultancies in Singapore.⁶⁹

SPC was appointed as an ID on 13 July 2020. He concurrently served as the Senior Advisor (Corporate Banking) of CIMB Bank Singapore.⁷⁰

CCK was appointed as an ID on 13 July 2020. He formerly served as the Deputy Commissioner of Police and as Director of Prisons.⁷¹

LSP's grandson, Lin Yinjun Benjamin (LYJB), joined the company in 2012 as a Personal Assistant to LSP before becoming the General Manager (GM) in 2019.⁷² He has a Bachelor of Arts (Honours) degree in Marketing Management with Coventry University and an Executive Diploma in Directorship awarded jointly by Singapore Management University and the Singapore Institute of Directors.⁷³

In May 2020, YHC was designated as lead ID when LSP was still the Chairman of the Board.⁷⁴ In July 2020, LKJE retired from the Board in accordance with the company's Constitution to allow for refreshment of the

Board.⁷⁵ On 14 August 2020, LSP stepped down as Chairman of the Board but remained as MD and ED,⁷⁶ and YHC was appointed as Chairman of the Board.⁷⁷

On 3 May 2021, LYTC, who oversaw the operations of the chlor-alkali plant located in Jurong Island, resigned as an ED “for other pursuits”.⁷⁸ In July 2021, WSB retired as an ID after serving 21 years on the Board.⁷⁹ Within the same month, SPC also announced his retirement due to reported poor health.⁸⁰ Subsequently, CCK was designated as Chairman of the RC and the NC.⁸¹ LYN, LSP’s son, was designated as a member of the AC, NC, and RC.⁸²

High pay, low yield

Remuneration within CIL’s Board comprises four components: salary, bonus, provident fund and director’s fee.⁸³ Before FY2017, CIL provided remuneration of directors in bands of S\$250,000 without disclosing exact amounts.⁸⁴ In addition, CIL omitted the names of its top five management personnel.⁸⁵ CIL explained that this was to prevent such information from being exploited by its competitors and to allow directors and key management personnel to maintain personal confidentiality on remuneration matters.⁸⁶ The company began to report the remuneration of directors in exact amounts from FY2017 onwards.⁸⁷ As of FY2025, CIL continued to omit the names of its top three key management personnel who are not directors or the CEO.⁸⁸

In 2017, LSP’s total remuneration was S\$2,499,104, with S\$1,707,454 being attributed to his bonus.⁸⁹ From FY2017 to FY2020, LSP’s salary and director fee were maintained annually at S\$684,000 and S\$100,000 respectively, while his bonus varied from S\$583,000 to S\$1,707,454.^{90,91,92,93}

In 2020, CIL’s earnings per share (EPS) plummeted by approximately 70%, from S\$0.1407 in FY2019⁹⁴ to S\$0.0442 in FY2020,⁹⁵ and revenue fell from S\$68,820,000 in FY2019⁹⁶ to S\$62,215,000 in FY2020.⁹⁷ Yet in that same year, EDs LSP, LYKC, and LYTC all drew bonuses similar to previous years.⁹⁸ LSP’s bonus even increased by 30%, from S\$533,000 in FY2019⁹⁹ to S\$681,000 in FY2020.¹⁰⁰

CIL’s EPS saw an increase in FY2021 to S\$0.0733. However, LSP received a significantly lower bonus of S\$57,000 and a lower director fee of S\$68,000. His salary remained unchanged at S\$684,000.¹⁰¹

In July 2021, shareholders questioned the practice of variable bonuses being paid in advance of performance targets being met, noting that this practice only applied to one particular director – LSP. In addition, shareholders questioned whether the Board was prepared to review LSP’s bonus compensation, which amounted to almost 50% of his total remuneration in 2020.¹⁰² In response to the questions regarding LSP’s variable bonus, CIL only stated that the bonus payout and the MD’s package would be reviewed by the RC.¹⁰³

In FY2022, CIL’s EPS increased to S\$0.0895. In LSP’s final year as an ED, his salary was reduced to S\$513,000. Nonetheless, his bonus doubled from the previous year to S\$114,000 and his director fee increased to S\$75,000.¹⁰⁴ LSP continued to receive the highest remuneration in the Board, with a total remuneration of S\$706,000.¹⁰⁵ In addition, a retirement gratuity of S\$2,000,000 was paid to LSP for which shareholder approval was not sought.¹⁰⁶

In FY2023 and FY2024, after LSP stepped down as MD and ED, he received a director fee of S\$150,000.^{107,108} EPS fell to S\$0.0468 in FY2023¹⁰⁹ before seeing a slight increase to S\$0.0678 in FY2024.¹¹⁰

Broken bonds

In September 2021, LYJB was terminated without further notice by his own grandfather, LSP.¹¹¹ The decision to immediately terminate his employment as GM was reported to be due to his grandfather’s dissatisfaction with him and the resulting belief that they could not be compatible working partners. Little insight was available on the family friction.¹¹² LYJB, however, appeared to take the cessation personally and retaliated.

While working with CIL, LYJB was tasked to develop the company website due to his skills in technology and web design. Upon his termination, LYJB seized control of the site’s domain, transforming it into his online

business. In response, the company announced that it had taken legal action to gain access to the “cil.sg” domain name and had commenced proceedings under the Singapore Domain Name Resolution Policy. It also changed its domain name to “cil.com.sg”.¹¹³

A son blows the whistle

Later that same month, LYKC was terminated from his position of ED and re-designated as NINED. Upon his termination, several “unresolved differences in opinion” were raised by LYKC regarding suspected misappropriation in the company. LYKC asserted that he had raised such concerns repeatedly and had made a police report in his own capacity. In addition, LYKC raised concerns regarding the process of appointment and scope of responsibility of CIL’s advisors.

Following queries by SGX regarding the matter, CIL disclosed that on 11 August 2021, LYKC had submitted a letter to the Board regarding unsupported petty cash claims he uncovered in 2018.¹¹⁴ These unsupported claims were noted in the 2019 internal audit report to the AC.¹¹⁵ Chairman of the Board, YHC, engaged with LYKC the next day, informing him that his complaint fell within the responsibility of the AC. However, the members of the AC had changed and the AC members at the time of the SGX queries were not present during the submission of claims in 2018 and when the internal audit report was issued in 2019.¹¹⁶ Hence, the AC required more time to review the case.¹¹⁷ Additionally, as the issue was more than three years old, the Board preferred to uncover all truths surrounding the claims before making any police report.¹¹⁸

A few days later, the AC convened a meeting, for which LYKC was invited, to gather more information regarding the unsupported petty cash claims.¹¹⁹ When requested to provide a copy of the police report he had filed on the matter, LYKC declined. During the meeting, the AC also approved the appointment of Quahe Woo & Palmer LLC (QW&P) to advise the committee on matters regarding the claims and to assist in the investigation. BDO Advisory Pte Ltd (BDO) was then appointed two days later by QW&P to conduct an independent review and investigation on the matter.¹²⁰

With regard to LYKC’s concerns regarding the process of appointment and scope of responsibility of advisors appointed by CIL, the Board said that LYKC had in fact requested for the terms of engagement of BDO at a Board meeting on 6 September 2021.¹²¹ He was denied access to this information by Chairman YHC, after having been given instructions by QW&P to not disclose any information regarding the terms of the engagement.

Additionally, LYKC was also reportedly concerned about the proper declaration of all dealings by the individuals involved in the decision-making process with the advisors appointed by the AC.¹²² However, the Board was not able to address this issue as it had no record that such a concern was brought up by LYKC to the rest of the Board.¹²³ According to the Board, all relevant directors had declared and accounted for any dealings or interests with the advisors appointed by the company beforehand.¹²⁴

In January 2022, BDO concluded that there were indeed “weaknesses in respect of the Company’s petty cash processes and internal controls”.¹²⁵ In response, CIL announced that it would implement an enterprise risk management framework, which would include “risk assessment and review of internal controls for the Group and control self-assessments by staff, and reassessment of the design and operational effectiveness of key controls”.¹²⁶

Past the expiry date?

“A shift away from family governance would assist in facilitating previously stated plans to professionalise the management of the company. I will step down once a non-family member successor is appointed.”

– MD LSP to SGX with regards to LYJB’s cessation.¹²⁷

Prior to the petty cash debacle, LYKC had already voiced opinions against his own father's capacity as the MD back in July 2021.¹²⁸ LYKC had claimed to have seen medical reports which gave him reasonable concern regarding then 92-year-old LSP's capacity to function as CIL's MD.¹²⁹

However, in a clarificatory statement to SGX, the Board explained that while LYKC had indeed raised his concerns regarding the mental capacity of his father and expressed opposition to the re-election of LSP as the MD, no medical reports were provided to support his concerns.¹³⁰ Moreover, the NC, chaired by CCK, had held a meeting on 8 July 2021 specifically to address LSP's mental capacity to continue serving as a Director.¹³¹ In the meeting, the NC reviewed updated medical reports of LSP issued by a clinical neurologist and a consultant psychiatrist, while considering the principles in Chapter 177A of Singapore's Mental Capacity Act.¹³² Coupled with their own personal interactions with LSP prior to the meeting, the NC unanimously agreed that LSP was fit for re-election at the 2021 Annual General Meeting (AGM).¹³³

The conflicts with LYJB and LYKC appeared to serve as a trigger for the company to realise that it should formally transition to being professionally managed. The Board reported to SGX that LSP had expressed his intention to step down as the MD once "relevant professional managers" could be brought in.¹³⁴ Consequently, the continuation of LSP's term as CIL's MD was a temporary one. On 28 September 2021, CIL announced that LSP would step down from his position as MD and carry on as an ED until 31 December 2021. CIL stated that LSP would remain as a NED from 1 January 2022.

That same day, CIL announced the appointment of Chng Hee Kok (CHK) as the company's interim Chief Executive Officer (CEO), beginning 1 October 2021.¹³⁵ CHK was a former PAP Member of Parliament and was a former member of the Governing Council of the Singapore Institute of Directors (SID) from 2002 to 2006.¹³⁶ He also became a Senior Accredited Director under SID on 23 January 2024.¹³⁷

While he was CEO of NTUC Club, CHK was fined S\$5,000 for not disclosing interest when he was the director of one of NTUC Club's subsidiaries.¹³⁸ CHK was also found guilty of providing false or misleading information in his recorded statements.¹³⁹ As such, he was given a written warning under the Prevention of Corruption Act.¹⁴⁰

As a result of CHK's past conduct, SGX required CIL to provide the Board's and the NC's assessment on the suitability of CHK to act as interim CEO.¹⁴¹ In response, the Board said that it had not discussed the issue as the incident in question had occurred many years ago in 2007 and CHK had taken on multiple directorships in listed companies since then.¹⁴²

In addition, SGX also required CIL to provide its assessment on whether CHK was able to devote sufficient time to his appointment as interim CEO of the company as he concurrently held directorships in ten other companies. The Board assured that the NC had made efforts in informing CHK on his relevant duties as the interim CEO.¹⁴³ In addition, CHK had disclosed that he planned to retire from two of the ten boards he was currently serving on and attended only two board meetings per year for his other directorships.¹⁴⁴ He retired from one of the boards in October 2021,¹⁴⁵ while the other company underwent a delisting.¹⁴⁶

In relation to the sudden dismissal of LYKC as an ED, the company stressed the importance of a quick transition from its current family-centred to a professionally managed company.¹⁴⁷ According to the Board, the reason for not granting LYKC any grace period in his re-appointment was because it was of the view that the successful planning and the continuity of the company's operations would not be a problem.¹⁴⁸ The Board stated that the termination of LYKC's employment was "not related in any way" to the various concerns that LYKC had raised to the Board.¹⁴⁹

On the same day, CIL announced CCK's resignation as ID and the appointment of three new IDs.¹⁵⁰ These were Dr. Tay Kin Bee (TKB), who formerly held the positions of ED at Behn Meyer Chemicals (India) Private Limited and CEO at Behn Meyer (Philippines) Inc;¹⁵¹ Poon Kai Leon, Melvin (PKLM), who formerly worked as a Financial Services Partner at PricewaterhouseCoopers LLP;¹⁵² and Lim Chee San (LCS), who

concurrently served as a director of Panaudit Business Services Pte Ltd, Ress Property Consultants Pte Ltd, and Pan Services Pte Ltd.¹⁵³

TKB was appointed as Chairman of the NC as well as member of the RC and AC. PKLM was appointed as Chairman of the AC and member of the NC and RC. LCS was appointed as Chairman of the RC and member of the AC and NC.¹⁵⁴

New elements, same reaction

In January 2022, LSP was re-designated from ED to NED in accordance with CIL's previous statements.¹⁵⁵ In February 2022, PKLM resigned as an ID after taking up an executive position in another firm, which prevented him from assuming positions on listed company boards.¹⁵⁶ YHC took over PKLM's positions as Chairman of the AC and member of the NC and RC.¹⁵⁷

In June 2022, CIL announced the appointment of LSP as Emeritus Chairman under the NC's recommendation that the position would befit LSP's "stature as founder and business leader... [of] the Company and the Group over six decades".¹⁵⁸

Yeo Sze Chiat (YSC) was subsequently appointed as CEO with effect from 1 September 2022.¹⁵⁹ YSC formerly served as a director at BASF South East Asia Pte Ltd and a vice-director as BASF East Asia Regional Headquarters Ltd, a German based chemical company.¹⁶⁰ YSC's lack of prior experience as a CEO or director of an SGX listed company was questioned by SGX. In response, CIL stated that YSC would be briefed by the NC Chairman and CIL's legal counsel, and would attend the core modules of a listed entity director programme and the sustainability course conducted by the SID.¹⁶¹ CHK ceased as interim CEO on 31 October 2022.¹⁶²

In the same month, Loi Kheng Seong (LKS) was appointed as Chief Operating Officer (COO). He previously worked with an American-owned company as Plant GM in starting up chemical plant facilities and running daily operations.¹⁶³

In December 2022, Yap Yoke Woo (YYW) was appointed as Sales & Marketing Director (SMD). The SMD position was newly created to be responsible for business management, business development and strategic planning of business. YYW has over 20 years of experience in the chemical industry and was responsible for the Asian business of two American companies and a German multinational company.¹⁶⁴

However, the new Board and executive team did not last long. From 2023 to early 2024, CIL reported a slew of resignations, both from the Board and the newly formed executive team. In May 2023, LYKC resigned from his position as NINED without notice.¹⁶⁵ In response to a query by SGX regarding the sudden resignation, CIL stated that the reason and timing of LYKC's resignation were personal.¹⁶⁶ In October 2023, CEO YSC and COO LKS resigned, reportedly to pursue their "self-interest and personal goals".^{167,168} LYN was appointed as Deputy Chairman in November 2023.¹⁶⁹ This was followed by the resignation of SMD YYW in December 2023 "to focus on health, family and pursuit of other interests".¹⁷⁰ In January 2024, TKB resigned from his position as ID "due to his professional and personal commitments".¹⁷¹ LCS was subsequently appointed as Chairman of the NC in place of TKB.¹⁷²

More questions and changes

On 14 February 2024, The Business Times released an article alleging that LSP had received various "post-retirement perks", which included "the usage of commercially viable space as his personal office, salaries of his personal support staff and personal medical expenses incurred by the Company".¹⁷³

The Business Times article and the numerous changes to the Board and the executive team prompted queries by SGX¹⁷⁴ and SIAS¹⁷⁵ on the management practices of the company and the remuneration and benefits received by the Board.

In response to queries on its business continuity plan in light of the numerous cessations, CIL said that the engagement of a new CEO was a “top priority” and that it did not intend to appoint a new COO.¹⁷⁶ In relation to concerns that the appointment of LYN as Deputy Chairman would increase the company’s expenditure on directors’ fees, CIL stated that LYN’s investment portfolio would “facilitate the Board in its oversight of investments in the company”,¹⁷⁷ and that all directors’ fees for FY2023 had been approved by over 99% of shareholders during its 2023 AGM.¹⁷⁸

In addition, SGX required CIL to provide details on LSP’s contributions as Emeritus Chairman to justify his remuneration of S\$150,000 in FY2023,¹⁷⁹ which was double the amount received by other NEDs on the Board.¹⁸⁰ CIL explained that the additional S\$75,000 LSP had received was for “his mentorship and guidance to the Board”.¹⁸¹

In response to the allegations in the Business Times article, CIL stated that the premises in question were leased out and that LSP did not use the premises as his “personal office”.¹⁸² CIL clarified that LSP did not have any dedicated personal administrative staff except for an office manager and a driver who chauffeured LSP in his personal car to “discharge... his duties as Emeritus Chairman, such as attending to official Company functions, business meetings and going to and fro from the [company] [p]remises”.¹⁸³ In addition, CIL stated that it did not pay for LSP’s medical or other personal expenses and that LSP was no longer covered under the company’s hospital and surgical insurance policy.¹⁸⁴

However, the company’s response was further questioned by SIAS, which stated that two of the lessees of the premises – S.P. Lim & Company Pte Ltd and Eastern Rubber Company (Malaya) Pte Ltd – were entities solely owned by LSP. In addition, searches on ACRA’s portal found that eight other companies associated with LSP had listed the premises as their registered address.¹⁸⁵ In an SGX announcement released on 14 March 2024, CIL responded that the aforementioned companies only used the premises as their registered office and did not engage in any business operations from the premises.¹⁸⁶

In addition, SIAS raised concerns regarding potential conflicts of interest as the CIL company secretary, Foo Soon Soo (FSS), also served as the secretary for LSP’s private company, S.P. Lim Holdings Pte Ltd. In response, CIL stated that it was of the view that there was no conflict of interest as FSS was not involved in the management and affairs of CIL or S.P. Lim Holdings Pte Ltd.¹⁸⁷

On 20 May 2024, CIL appointed a new ID, Goh Koon Eng (GKE). GKE formerly served as Vice President at Chevron Chemicals.¹⁸⁸ GKE was appointed as Chairman of the NC in place of LCS, and a member of the AC and RC.¹⁸⁹

CIL recorded a profit before tax of S\$5.67 million for FY2024. However, its core chemical manufacturing business saw a loss before tax of S\$5.9 million due to “weak industrial demand” and “high energy costs”.¹⁹⁰ LSP continued to draw a director fee of S\$150,000 for that year.¹⁹¹

In July 2024, CIL appointed Steven Wong Tian Song (SWTS) as its new CEO. SWTS concurrently serves as President of Brenntag Specialties and MD of Teehai Chem Pte Ltd.¹⁹²

End of an era

“Mr. Lim’s name is synonymous with the success of the Group.”

– CIL’s response to an SGX query about the role of Emeritus Chairman LSP¹⁹³

CIL reported dismal financial performance, with a loss of S\$21.5 million in FY2025, which the company attributed to “stiff competition” and “increasing cost pressures”.¹⁹⁴ The company recorded a loss of S\$0.2825 per share.¹⁹⁵

On 18 July 2025, CIL announced that LSP, who was then 96 years old, had retired as Emeritus Chairman. However, it said he would continue as Emeritus Chairman and Senior Advisor to the Board.¹⁹⁶ Whether the company can move beyond the shadow of its founder and professionalise its management remains to be seen.

Discussion questions

1. What are the potential benefits and risks of having a family-controlled and managed company such as Chemical Industries? How can the risks be mitigated?
2. Two commonly-cited risks for minority investors in family-controlled companies are related party transactions and excessive remuneration. To what extent are they issues at Chemical Industries? Cite specific examples. How can these risks be mitigated?
3. In the case of Chemical Industries, to what extent do you think the fact it is family-controlled and managed contributed to its poor performance? Explain.
4. Family disputes often happen in family companies like Chemical Industries, especially when these companies move beyond the first generation. Why is this so? What can family businesses do to mitigate these risks? How can listed companies such as Chemical Industries better ensure that family governance issues do not adversely impact the corporate governance and performance of the listed company?
5. Some family companies have successfully transitioned to become professionally managed. However, many such companies have been unable to do so. Critically evaluate how Chemical Industries has managed this. What is the role of the board in such transitions?
6. Critically evaluate the board structure and composition of Chemical Industries in 2020 and the subsequent changes.
7. What are the challenges faced by independent directors in companies like Chemical Industries? What recommendations do you have to improve their effectiveness in such companies?
8. Critically evaluate the remuneration policies and disclosures for executive directors of Chemical Industries. For a founder and executive director such as Lim Soo Peng, what remuneration policy would you recommend in terms of mix of annual salary, short-term incentives and long-term incentives, and the nature of the short-term incentives and long-term incentives?
9. Based on the incidents described in the case, critically evaluate internal control and risk management of Chemical Industries. What is the role of internal audit in ensuring that the internal controls and risk management are adequate?
10. Critically evaluate the effectiveness of SGX and SIAS in promoting improvements in governance, based on the Chemical Industries case?

Endnotes

- 1 Chemical Industries (Far East) Limited. (n.d.). About CIL. Retrieved from <https://cil.com.sg/>
- 2 SGX. (n.d.). Basic Info Chemical Industries (F.E.) Ltd. Retrieved from <https://links.sgx.com/1.0.0/corporate-information/983>
- 3 *Ibid.*
- 4 *Ibid.*
- 5 Reuters. (n.d.). Chemical Industries (Far East) Ltd CHEM.SI. Retrieved from <https://www.reuters.com/companies/CHEM.SI>
- 6 *Ibid.*
- 7 Chemical Industries (Far East) Ltd. (2015). Annual Report for FY2015. Retrieved from <https://links.sgx.com/FileOpen/AR%20FY2015.ashx?App=ArchiveAnnouncement&FileID=355738&AnncID=9XWI1F7LLCGEGJWL>
- 8 *Ibid.*
- 9 *Ibid.*
- 10 *Ibid.*
- 11 Batu Kawan Berhad. (n.d.). BKAWAN – BATU KAWAN BERHAD. Retrieved from <https://bkawan.com.my/>
- 12 Chemical Industries (Far East) Ltd. (2025, July 11). Annual Report for FY2025. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/89DBZ87VUCWWHAOZ/>
- 13 *Ibid.*
- 14 Ministry of Manpower Singapore. (2018, September 24). Company fined \$200,000 for a Chlorine Leak Incident at Jalan Samulun. Retrieved from <https://www.mom.gov.sg/newsroom/press-releases/2018/0924-company-fined-for-chlorine-leak-incident-jalan-samulun>
- 15 *Ibid.*
- 16 *Ibid.*
- 17 *Ibid.*
- 18 *Ibid.*
- 19 *Ibid.*
- 20 *Ibid.*
- 21 *Ibid.*
- 22 Chemical Industries (Far East) Limited. (2018). Annual Report 2018. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/7MWTU7TFI58RNX6X/510843_CIL%20Annual%20Report%20FY2018.pdf
- 23 Chemical Industries (Far East) Limited. (2018, June 29). RESPONSES TO QUESTIONS RAISED BY THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (“SIAS”) IN RESPECT OF THE COMPANY’S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018. Retrieved from <https://sias.org.sg/media/qareport/180629%20CIL%20FY18%20SIAS%20QA%20Responses.pdf>
- 24 *Ibid.*
- 25 Chemical Industries (Far East) Ltd. (2018, May 31). Chemical Industries to set up Joint-Venture in Malaysia for the storage, distribution and trading of chemicals – MOU signed with May Chemical Sdn Bhd. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/NCDPTJD76G0KYH9O/508158_180531%20MOU_May%20Chemical.pdf
- 26 Chemical Industries (Far East) Ltd. (2018, June 28). Signing of Non-Binding Memorandum of Understanding between Chemical Industries (Far East) Limited and Topan LLP for the establishment of a chlor-alkali manufacturing facility in Kazakhstan. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/LGBYBH4FF2TC6IF5/512193_180628%20CIL%20MOU%20w%20Topan.pdf
- 27 Chemical Industries (Far East) Ltd. (2018, May 31). Chemical Industries to set up Joint-Venture in Malaysia for the storage, distribution and trading of chemicals – MOU signed with May Chemical Sdn Bhd. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/NCDPTJD76G0KYH9O/508158_180531%20MOU_May%20Chemical.pdf
- 28 *Ibid.*
- 29 Chemical Industries (Far East) Limited. (2018, June 29). RESPONSES TO QUESTIONS RAISED BY THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (“SIAS”) IN RESPECT OF THE COMPANY’S ANNUAL REPORT FOR THE FINANCIAL YEAR

- ENDED 31 MARCH 2018. Retrieved from <https://sias.org.sg/media/qareport/180629%20CIL%20FY18%20SIAS%20QA%20Responses.pdf>
- 30 *Ibid.*
- 31 *Ibid.*
- 32 Chemical Industries (Far East) Ltd. (2018, June 28). Signing of Non-Binding Memorandum of Understanding between Chemical Industries (Far East) Limited and Topan LLP for the establishment of a chlor-alkali manufacturing facility in Kazakhstan. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/LGBYBH4FF2TC6IF5/512193_180628%20CIL%20MOU%20w%20Topan.pdf
- 33 *Ibid.*
- 34 Chemical Industries (Far East) Ltd. (2019, May 29). Updates on Non-binding Memorandums of Understanding signed with May Chemical Sdn. Bhd. and Topan LLP. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/XJ45HYDKRXX0PJCH/e6d9a482f9cca8a5cf2f777ed0828bcb0c834d04b8f9710c3a5b4caef2f545d7>
- 35 Chemical Industries (Far East) Ltd. (2020, January 24). Update of Non-binding Memorandum of Understanding with Topan LLP. Retrieved from https://links.sgx.com/FileOpen/200124%20Update%20on%20MOU_Topan.ashx?App=Announcement&FileID=594533
- 36 *Ibid.*
- 37 Chemical Industries (Far East) Ltd. (2020, June 16). Incorporation of Subsidiary Company. Retrieved from https://links.sgx.com/FileOpen/20200616_CIL_Ann_IncorpSubsi_final_Att.ashx?App=Announcement&FileID=619241
- 38 *Ibid.*
- 39 Chemical Industries (Far East) Ltd. (2020, October 15). Disposal of Subsidiary, Chem Integrated Management Pte. Ltd. Retrieved from https://links.sgx.com/FileOpen/20201015_CIL_Ann_DisposalofSubsi_Att.ashx?App=Announcement&FileID=635338
- 40 *Ibid.*
- 41 *Ibid.*
- 42 *Ibid.*
- 43 Chemical Industries (Far East) Ltd. (2019, January 31). Incorporation of Subsidiary Company in Myanmar. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/HWIAx5W31PAVNBf/542261_190131%20CIL%20Incorporation%20of%20Subsidiary.pdf
- 44 Chemical Industries (Far East) Ltd. (2021). Annual Report for 2021. Retrieved from https://links.sgx.com/FileOpen/20210701_CIL_Ann_AR2021_Att.ashx?App=Announcement&FileID=673328
- 45 Chemical Industries (Far East) Ltd. (2019, January 31). Incorporation of Subsidiary Company in Myanmar. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/HWIAx5W31PAVNBf/542261_190131%20CIL%20Incorporation%20of%20Subsidiary.pdf
- 46 Chemical Industries (Far East) Ltd. (2021). Annual Report for 2021. Retrieved from https://links.sgx.com/FileOpen/20210701_CIL_Ann_AR2021_Att.ashx?App=Announcement&FileID=673328
- 47 *Ibid.*
- 48 *Ibid.*
- 49 Yahoo! Finance. (n.d.). Chemical Industries (Far East) Limited Max Dividend History. *Yahoo! Finance*. Retrieved from <https://sg.finance.yahoo.com/quote/C05.SI/history?period1=946857600&period2=1649289600&interval=capitalGain%7Cdiv%7Csplits&filter=div&frequency=1mo&includeAdjustedClose=true>
- 50 Chemical Industries (Far East) Ltd. (2025, July 11). Notice of Record Date and Dividend Payment Date. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/OL5WTPTPCHJ4PO10/de570424cc83da78f09a73f6fbcd164cb50fbe9d536721f5e4c6b1684b4cda5f>
- 51 Chemical Industries (Far East) Ltd. (2019, April 16). Change-Announcement of appointment. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/BTES5EEXWNHQ3BVW/8a30a644862370df10b42cdc975d1604d6675806f977d39fb2b2f0ae17960bda>
- 52 Chemical Industries (Far East) Ltd. (2021). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20210701_CIL_Ann_AR2021_Att.ashx?App=Announcement&FileID=673328
- 53 Chemical Industries (Far East) Ltd. (2025). Annual Report for FY2025. Retrieved from https://links.sgx.com/FileOpen/20250711_CIL_AR_FY2025.ashx?App=Announcement&FileID=851721
- 54 Chemical Industries (Far East) Ltd. (2019, June 12). Annual Report for FY2019. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/NTC33WIYFULP2IBR/e1b5f1cfd011fe6aa40cae95114de9cfa70fe0308d091b3949e25dd01ac277c5>

- 55 Chemical Industries (Far East) Ltd. (n.d.). Annual Report for FY2014. Retrieved from https://lib.nus.edu.sg/nus_hlc/annrep/chemicalind2014.pdf
- 56 Chemical Industries (Far East) Ltd. (2015, February 6). Change – Announcement of Cessation :: Announcement of Cessation as Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/LIYCWHF2XTN197L2/0832eb1974d9031faeaf028475c6898e7456f0ad8ce1648578e6960c859000cd>
- 57 Chemical Industries (Far East) Ltd. (2017). Annual Report for FY2017. Retrieved from <https://links.sgx.com/FileOpen/FY17%20CIL%20AR.ashx?App=Announcement&FileID=457392>
- 58 *Ibid.*
- 59 Singapore Business Review. (2015, May 4). Chemical Industries Far East appoints Alex Lim Yew Cher as director. *SBR*. Retrieved from <https://sbr.com.sg/manufacturing/people/chemical-industries-far-east-appoints-alex-lim-yew-cher-director>
- 60 Chemical Industries (Far East) Ltd. (2015, September 1). Change – Announcement of Appointment :: Appointment of Executive Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/7KPPN0DCXX9H7CVZ/5d707d20c01e334d2f3d5a15a83d2fcfe5fd777aced4fc8c70a36392a4ba6bbf>
- 61 Chemical Industries (Far East) Ltd. (2016, June 30). Change – Announcement of Cessation :: Change – Announcement of Cessation. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/S436X2HEBTLBGSEP/242217e1912a35ae624d4b9b8550b0d9dd16160b03caf6357fe2f4f616708ab0>
- 62 Chemical Industries (Far East) Ltd. (2015). Annual Report for FY2015. Retrieved from <https://links.sgx.com/FileOpen/AR%20FY2015.ashx?App=ArchiveAnnouncement&FileID=355738&AnncID=9XWI1F7LLCGEGJWL>
- 63 *Ibid.*
- 64 *Ibid.*
- 65 Chemical Industries (Far East) Ltd. (2021). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20210701_CIL_Ann_AR2021_Att.ashx?App=Announcement&FileID=673328
- 66 Chemical Industries (Far East) Limited. (2020). Annual Report for the year ended 31st March 2020. Retrieved from <https://cil.com.sg/wp-content/uploads/2022/06/Annual-Report-Year-2020.pdf>
- 67 *Ibid.*
- 68 *Ibid.*
- 69 Chemical Industries (Far East) Limited. (2020). Annual Report for the year ended 31st March 2020. Retrieved from <https://cil.com.sg/wp-content/uploads/2022/06/Annual-Report-Year-2020.pdf>
- 70 *Ibid.*
- 71 *Ibid.*
- 72 Chemical Industries (Far East) Ltd. (2021). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20210701_CIL_Ann_AR2021_Att.ashx?App=Announcement&FileID=673328
- 73 *Ibid.*
- 74 Chemical Industries (Far East) Ltd. (2020, May 12). Appointment of lead independent director. Retrieved from https://links.sgx.com/FileOpen/20200512_CIL_Ann_Appt%20LeadID_PY_Att.ashx?App=Announcement&FileID=610298
- 75 Chemical Industries (Far East) Ltd. (2020, July 13). Announcement of cessation. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/GOUSRSKPT7HTUSIQ/f39269b8f35e589e5547173191ec5b8f2b18f877b8e45f67c3a993bb602d77e1>
- 76 Chemical Industries (Far East) Ltd. (2020, August 14). Change – Announcement of Cessation :: Retirement of Mr Lim Soo Peng as Executive Chairman. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/PQWH78OCQ662VV1V/561c9bddc078ff5fab372c4f6f35c5bf00920032b52df32f7673907bf0a83e98>
- 77 Chemical Industries (Far East) Ltd. (2020, August 14). Change – Announcement of Appointment :: Appointment of Mr Yeo Hock Chye as Non-Executive Independent Chairman. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/HGNGK13ITI0CUO4Y/2c69459461000549f8a7d7b163cefd31733e940705f51dc1a08f60c2c3e6d5a>
- 78 Chemical Industries (Far East) Ltd. (2021, March 30). Resignation of director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/7JOA77SYATN9J6EH/9dd8d6f903d77701c2576de75b386abda4b7288e2c3a5d75316ff6f24f30796ac>
- 79 Chemical Industries (Far East) Ltd. (2021, July 1). Retirement of director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/HB4V5JRJXTVS89FK/1962206b5fd7ebf1cd2014e2a8fa9ee958b2eb77d38b898a291de0af202b4873>

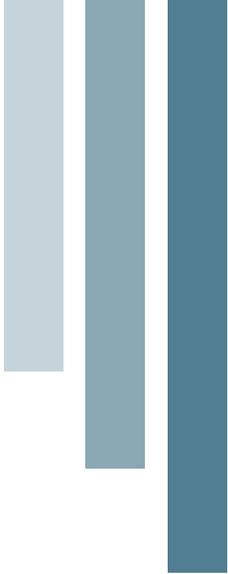
- 80 Chemical Industries (Far East) Ltd. (2021, July 1). Retirement of director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/9294DCD4C5J2D2PJ/11f318c264f951afa7c180790b923aeae2e8ad579753c3bfa03bee1520ccd7de>
- 81 Chemical Industries (Far East) Limited. (2021, July 21). Reconstitution of Board Committees. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/GEUR70J0D4OQB0WY/675350_20210721_CIL_Ann_Reconstitue_Bd%20Committee_Att.pdf
- 82 *Ibid.*
- 83 Chemical Industries (Far East) Ltd. (2021). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20210701_CIL_Ann_AR2021_Att.ashx?App=Announcement&FileID=673328
- 84 Chemical Industries (Far East) Ltd. (2015, June 12). Annual Report for FY2015. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/9XWI1F7LLCGEGJWL/5b6fb706fa92283ba6f673ac740ee56625ffebcb794d2de7e9e4ea2a7465f271>
- 85 *Ibid.*
- 86 *Ibid.*
- 87 Chemical Industries (Far East) Ltd. (2021). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20210825_CIL_SR2021_Att.ashx?App=Announcement&FileID=681330
- 88 Chemical Industries (Far East) Limited. (2025, July 11). Annual Report for FY2025. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/89DBZ87VUCWWHAOZ/7893b0f64733bf5089e1783978c799a167f36d0afe6e22f0b3a4415cd609ed0d>
- 89 Chemical Industries (Far East) Limited. (2017, June 12). Annual Report for FY2017. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/24BCJ2S3VIPDXUKW/9909e03612c2bf19d4873d8655cdfa9e6f594cdee5c745e77b7f80295a33d83d>
- 90 *Ibid.*
- 91 Chemical Industries (Far East) Limited. (2018, June 14). Annual Report for FY2018. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/7MWTU7TFI58RNX6X/0e734ecfa256a8279b6536e9d0357f347050854c86f670c88cb6d20c3857dcb9>
- 92 Chemical Industries (Far East) Limited. (2019, June 12). Annual Report for FY2019. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/NTC33WIYFULP2IBR/e1b5f1cfd011fe6aa40cae95114de9cfa70fe0308d091b3949e25dd01ac277c5>
- 93 Chemical Industries (Far East) Limited. (2020, July 27). Annual Report for FY2020. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/EREIHQUUIW7DIBK/65e47d65552df3931e83b638ef7842acd1ddde57b61dccc4f16ecb7bdbc8aa68>
- 94 Chemical Industries (Far East) Limited. (2019, June 12). Annual Report for FY2019. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/NTC33WIYFULP2IBR/e1b5f1cfd011fe6aa40cae95114de9cfa70fe0308d091b3949e25dd01ac277c5>
- 95 Chemical Industries (Far East) Ltd. (2020). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20200727_CIL_AR2020_Att.ashx?App=Announcement&FileID=625091
- 96 Chemical Industries (Far East) Limited. (2019, June 12). Annual Report for FY2019. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/NTC33WIYFULP2IBR/e1b5f1cfd011fe6aa40cae95114de9cfa70fe0308d091b3949e25dd01ac277c5>
- 97 Chemical Industries (Far East) Ltd. (2020). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20200727_CIL_AR2020_Att.ashx?App=Announcement&FileID=625091
- 98 *Ibid.*
- 99 Chemical Industries (Far East) Limited. (2019, June 12). Annual Report for FY2019. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/NTC33WIYFULP2IBR/e1b5f1cfd011fe6aa40cae95114de9cfa70fe0308d091b3949e25dd01ac277c5>
- 100 Chemical Industries (Far East) Ltd. (2020). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20200727_CIL_AR2020_Att.ashx?App=Announcement&FileID=625091
- 101 Chemical Industries (Far East) Ltd. (2021). Annual Report for FY2021. Retrieved from https://links.sgx.com/FileOpen/20210701_CIL_Ann_AR2021_Att.ashx?App=Announcement&FileID=673328
- 102 Chemical Industries (Far East) Limited. (2021, July 19). Response to questions raised by the shareholders in respect of the company's annual report for the financial year ended 31 March 2021. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/PYBEOBKAXU9TKAIW/675162_20210719_CIL_Ann_AGM%20FY2021_QnA_Att.pdf
- 103 *Ibid.*
- 104 Chemical Industries (Far East) Ltd. (2022, July 4). Annual Report for FY2022. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/CT8QY2ZYN8QOWVBG/f8be0af238a91642c7b5d33dcf3c6bb1443676ac5b38c0a84271f0122ca57a3f>
- 105 Chemical Industries (Far East) Ltd. (2022, July 4). Annual Report for FY2022. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/CT8QY2ZYN8QOWVBG/f8be0af238a91642c7b5d33dcf3c6bb1443676ac5b38c0a84271f0122ca57a3f>

- 106 Chemical Industries (Far East) Ltd. (2022, July 16). Response to query from SGX Regco, Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/2NEEPZHDVA5G9FRC/2a8bbb129fb667a25b41ef820b86c49128d5454b0aa32fa6c494b446cf21fe97>
- 107 Chemical Industries (Far East) Ltd. (2023, July 10). Annual Report for FY2023. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/F8H71FXHZ6A0H037/9d0525ac9cf9d11e27af9dabb30b72f61a46a7f02bd4d26640f2045e701dce97>
- 108 Chemical Industries (Far East) Ltd. (2024, July 12). Annual Report for FY2024. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/LSHXHEZWFJKJ091A/0b08a7fbdb08432c400e078b719d7e1b4ea0bf4ecac913fbac30764415701a08>
- 109 Chemical Industries (Far East) Ltd. (2023, July 10). Annual Report for FY2023. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/F8H71FXHZ6A0H037/9d0525ac9cf9d11e27af9dabb30b72f61a46a7f02bd4d26640f2045e701dce97>
- 110 Chemical Industries (Far East) Ltd. (2024, July 12). Annual Report for FY2024. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/LSHXHEZWFJKJ091A/0b08a7fbdb08432c400e078b719d7e1b4ea0bf4ecac913fbac30764415701a08>
- 111 Chemical Industries (Far East) Limited. (2021, September 9). Response to Queries from the SGX-ST. Retrieved from https://links.sgx.com/FileOpen/20210909_CIL_Ann_Response%20toSGXQueries_Att.ashx?App=Announcement&FileID=683058
- 112 *Ibid.*
- 113 Chemical Industries (Far East) Limited. (2022, January 10). Temporary change in domain name. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/31YQPLND80QYMBL6/fcb6ad01095f808d5959d9b303bc617ff7eb4f6cfbad57ee74ef18db8cdf042f>
- 114 Chemical Industries (Far East) Limited. (2022, January 4). Update Announcement. Retrieved from https://links.sgx.com/FileOpen/20220104_CIL_Ann_Update%20to%201Oct2021%20Annc_Att.ashx?App=Announcement&FileID=696617
- Chemical Industries (Far East) Limited. (2021, October 1). Response to SGX queries. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/SE9LZCBWATSG5QDE/e4fd1cbe867b61c0428f815ea3f2a94ca777e85ac1b6fff9dc5f2c4608205ffc>
- 115 *Ibid.*
- 116 *Ibid.*
- 117 *Ibid.*
- 118 *Ibid.*
- 119 *Ibid.*
- 120 *Ibid.*
- 121 *Ibid.*
- 122 *Ibid.*
- 123 *Ibid.*
- 124 *Ibid.*
- 125 Chemical Industries (Far East) Limited. (2022, January 4). UPDATE ANNOUNCEMENT. Retrieved from https://links.sgx.com/FileOpen/20220104_CIL_Ann_Update%20to%201Oct2021%20Annc_Att.ashx?App=Announcement&FileID=696617
- 126 *Ibid.*
- 127 Chemical Industries (Far East) Ltd. (2021, September 9). Response to queries from the SGX-ST. Retrieved from https://links.sgx.com/FileOpen/20210909_CIL_Ann_Response%20toSGXQueries_Att.ashx?App=Announcement&FileID=683058
- 128 *Ibid.*
- 129 *Ibid.*
- 130 *Ibid.*
- 131 *Ibid.*
- 132 *Ibid.*
- 133 *Ibid.*
- 134 *Ibid.*
- 135 Chemical Industries (Far East) Limited. (2021, September 28). Announcement of Appointment. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/ZYU66DLOARR552B6#>
- 136 Singapore Institute of Directors. (n.d.). Past Governing Council. Retrieved from https://www.sid.org.sg/Web/Web/About/People-and-Partners/Past_Governing_Council.aspx

- 137 Singapore Institute of Directors. (n.d.). Accreditation – Verification. Retrieved from https://www.sid.org.sg/Web/Professional_Development/Accreditation.aspx?WebsiteKey=45b06dd1-2681-479a-bfab-022b0a05c2ce&ad44982a839f=9#ad44982a839f
- 138 SGX. (2021, October 1). RESPONSES TO QUERIES FROM THE SGX-ST. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/SE9LZCBWATSG5QDE/685487_20211001_CIL_Ann_Response%20toSGXQueries_Att.pdf
- 139 *Ibid.*
- 140 *Ibid.*
- 141 *Ibid.*
- 142 *Ibid.*
- 143 *Ibid.*
- 144 *Ibid.*
- 145 Ellipsiz Ltd. (2021, October 22). Minutes of the 26th Annual General Meeting. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/XV1H7LTFHDY0DV69/689036_Minutes%20of%2026th%20AGM%202021.pdf
- 146 Full Apex (Holdings) Limited. (2022, May 23). Updates on Exit Offer Proposal. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/XSZ1L0C9DJWB1UVM/2d81f65a3d3c93b8399b6732956f3e384dccbd68b721c4287cc3fba5ee1db418>
- 147 SGX. (2021, October 1). RESPONSES TO QUERIES FROM THE SGX-ST. Retrieved from https://links.sgx.com/1.0.0/corporate-announcements/SE9LZCBWATSG5QDE/685487_20211001_CIL_Ann_Response%20toSGXQueries_Att.pdf
- 148 *Ibid.*
- 149 *Ibid.*
- 150 Chemical Industries (Far East) Ltd. (2021, September 28). Changes to Board of Directors and Corporate Management. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/ZQUO6FTL0E06PM7M/dce403e69cc5b07b99009a2c85b29b70ddfacdd05e3bd31cefeb937a4432a18>
- 151 Chemical Industries (Far East) Ltd. (2021, September 28). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/3FCFJQ7UOG9Y1K0W/1ba896346e1527e33cfd69ca176d699e76fbe9bccd6e38d876b55b05ad4eab9e>
- 152 Chemical Industries (Far East) Ltd. (2021, September 28). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/YH8O08716OP5F77R/150019b473df0245403cea9d9117ccfd3bd47b80405b1022852762041f2e8678>
- 153 Chemical Industries (Far East) Ltd. (2021, September 28). Change – Announcement of Appointment :: Appointment of Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/55FT77Q4V7G9B11Y/1c180300181e8f90e8c61da05894834944ab5ea7be775c4e0d8082dd8bfcaecd>
- 154 Chemical Industries (Far East) Ltd. (2021, September 28). Changes to Board of Directors and Corporate Management. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/ZQUO6FTL0E06PM7M/dce403e69cc5b07b99009a2c85b29b70ddfacdd05e3bd31cefeb937a4432a18>
- 155 Chemical Industries (Far East) Limited. (2022, January 11). Change – Announcement of appointment. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/J2A5LJUURUBZYEF1/108f3582595bc9bbac6f43564513e6522aa54cb5878500b6ec9b99a332d94929>
- 156 Chemical Industries (Far East) Limited. (2022, February 28). Composition of the Board of Directors and reconstitution of the Board Committees. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/H8QHG2GZTBJR57VS/3c82b75744156c51cc2c0119b56dbd610ef7bcb936d026cc3eb96ea50c047088>
- 157 *Ibid.*
- 158 Chemical Industries (Far East) Ltd. (2022, June 14). Appointment of Mr Lim Soo Peng as Emeritus Chairman. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/JTQWJGO913Y4LL78/1f15a6b929874c100e9ad2e3228aa813a5381ad93f566b0bb734c5448633f0d6>
- 159 Chemical Industries (Far East) Ltd. (2022, August 23). Change – Announcement of Appointment. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/LQZRB6M1WQN97DZX/>
- 160 Chemical Industries (Far East) Ltd. (2022, August 23). Appointment of Chief Executive Officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/T96MQ0IKBY54OFPO/8cb2bc7e5dafb001b8c335d2e29f7eabf3011362416d0289945f62779bba2f40>

- 161 Chemical Industries (Far East) Ltd. (2022, August 25). Response to query by SGX Regco. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/BZZYO0KTGPHW8J4G/136683ff32c5cdfc6ddfc951b14c86c9309cfa3007fc02c03b6c69c523b5661a>
- 162 S&P Capital IQ. (2022, October 5). Chemical Industries (Far East) Limited Announces Cessation of Chng Hee Hock as Interim Chief Executive Officer. *Market Screener*. Retrieved from <https://www.marketscreener.com/quote/stock/CHEMICAL-INDUSTRIES-FAR-E-6811899/news/Chemical-Industries-Far-East-Limited-Announces-Cessation-of-Chng-Hee-Hock-as-Interim-Chief-Executi-41956107/>
- 163 Chemical Industries (Far East) Ltd. (2022, August 29). Change – Announcement of Appointment. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/ACCXYO7YZJQ31L4J/859f46e456c1c76d2ae2e57989f45e27c3974b4402b24e3488cf7eeb782eb461>
- 164 ChemicalIndustries(FarEast)Ltd.(2023,April3).Change–AnnouncementofAppointment.Retrievedfrom<https://links.sgx.com/1.0.0/corporate-announcements/ZWMV8MY2VNWSZ41P/26b2da902497f6af572379047f657caa2cb53e0434a4e8fdce81539ef3d642e7>
- 165 Chemical Industries (Far East) Ltd. (2023, May 30). Change – Announcement of Cessation. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/CG0GB1OEAJ3ERI6T/0e16ce32df5465dfb1d607390a850012a5cf3125a52f1ea8648878487cab668b>
- 166 Chemical Industries (Far East) Ltd. (2023, June 7). Response to query by SGX Regco. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/8Y9TJQ34RV1OQKX/1f9181cdafa85c6a4d50373ec8bf47bc3600b4d3070f54ffa00a30a045644f7c>
- 167 Chemical Industries (Far East) Ltd. (2023, October 27). Change – Announcement of Cessation. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/465EHEB4NBL01KIO/4d4c506400f49d756f2a5291ee2eefed5abf561a7d6e95a4bfdad295d79679d0>
- 168 ChemicalIndustries(FarEast)Ltd.(2023,October12).Change–AnnouncementofCessation.Retrievedfrom<https://links.sgx.com/1.0.0/corporate-announcements/FR6V2JC3VRS17LHL/baf2027f18aa1474f15a9bad866fe8f83cf9d3b27b9f7c18bd901934e07f7871>
- 169 Chemical Industries (Far East) Ltd. (2023, November 1). Change – Announcement of Appointment. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/3GQNP23QBKVAHN8/6403e72a63b777a682b55565cebc59295783d2fd96c0e64b9f97a68642ec78d9>
- 170 Chemical Industries (Far East) Ltd. (2023, December 4). Change – Announcement of Cessation. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/O5WWYMJ19UM4NFWZ/ed4dd7a527cc45c50f09842a6ae87993761b6d9930bf8c54c76c9901d98d75d1>
- 171 ChemicalIndustries(FarEast)Ltd.(2024,January11).Change–AnnouncementofCessation.Retrievedfrom<https://links.sgx.com/1.0.0/corporate-announcements/Q31EXB98R6G9JXAQ/046ec3503038453ecf075d7d5e1b7c264ccd11a0eab8c1db2e40e56935848a33>
- 172 Chemical Industries (Far East) Ltd. (2024, February 15). General Announcement. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/561XFAJWN5KC59U2/145e3a250457dca86894af8dbb5688e86707934f9632b4edb0ad3497b88b7bdf>
- 173 Cheah, M. (2024, February 14). Shareholders, Sias raise concern over Chemical Industries' C-suite resignations, alleged 'post-retirement perks'. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/shareholders-sias-raise-concerns-over-chemical-industries-c-suite-resignations>
- 174 Chemical Industries (Far East) Ltd. (2024, February 18). Response to SGX Queries. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/A3W7472W9HPQSUJJ/186819f399a0a00ced3e6d0c5ce4f69a817b230fbd7518cfd7dc44796e9e672e9>
- 175 Chemical Industries (far East) Ltd. (2024, February 18). Response to queries from SIAS and Shareholders. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/SXOWJPC56B0A03NJ/51dae6738bdeb91fd51361aa4cc92fd5cc6b354f246f45b6b844b825eaabb893>
- 176 Chemical Industries (Far East) Ltd. (2024, February 18). Response to SGX Queries. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/A3W7472W9HPQSUJJ/186819f399a0a00ced3e6d0c5ce4f69a817b230fbd7518cfd7dc44796e9e672e9>
- 177 Chemical Industries (Far East) Ltd. (2024, February 18). Response to queries from SIAS and Shareholders. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/SXOWJPC56B0A03NJ/51dae6738bdeb91fd51361aa4cc92fd5cc6b354f246f45b6b844b825eaabb893>
- 178 *Ibid.*
- 179 Chemical Industries (Far East) Ltd. (2024, February 18). Response to SGX Queries. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/A3W7472W9HPQSUJJ/186819f399a0a00ced3e6d0c5ce4f69a817b230fbd7518cfd7dc44796e9e672e9>
- 180 Chemical Industries (Far East) Ltd. (2023, July 10). Annual Report for FY2023. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/F8H71FXHZ6A0H037/9d0525ac9c9d11e27af9dabb30b72f61a46a7f02bd4d26640f2045e701dce97>

- 181 Chemical Industries (Far East) Ltd. (2024, February 18). Response to SGX Queries. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/A3W7472W9HPQSUJJ/186819f399a0a00ced3e6d0c5ce4f69a817b230fbd7518cfd7dc44796e9e672e>
- 182 *Ibid.*
- 183 *Ibid.*
- 184 *Ibid.*
- 185 SIAS. (2024, February 21). Follow up letter to the Board – Chemical Industries Far East Limited. Retrieved from <https://sias.org.sg/latest-updates/follow-up-letter-to-the-board-chemical-industries-far-east-limited/>
- 186 Chemical Industries (Far East) Limited. (2024, March 14). General Announcement. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/J6RPREWSGY9HY537/22ce153919acb71c35e7112f602abb07450c209752a38767fbb4a6d09e857bb>
- 187 *Ibid.*
- 188 Chemical Industries (Far East) Limited. (2025, May 20). Appointment of Independent Director. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/UN6YE23O270QO9U3/a67ab2f8a04180d43e552207a5e198bf23b9b9a540851be2e8cfc1422e928c9>
- 189 Chemical Industries (Far East) Limited. (2024, May 20). Reconstitution of Board Committees. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/Q41T1VIAUG4D0U9G/5694519d5c350f206a3824bd89f9b0f692f6b6a51ecfa19c3ccc11e00c69c22>
- 190 Chemical Industries (Far East) Ltd. (2024, July 12). Annual Report for FY2024. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/LSHXHEZWJFKJ091A/0b08a7fdb08432c400e078b719d7e1b4ea0bf4ecac913fbac30764415701a08>
- 191 *Ibid.*
- 192 Chemical Industries (Far East) Ltd. (2024, July 18). Appointment of Chief Executive Officer. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/ZNODM7BEJX1K1EJO/a8c1fda4fde9231b4f787294f2e45d6844b5a4c2a205a4196819b0bd322be3ba>
- 193 Chemical Industries (Far East) Ltd. (2024, February 18). Response to SGX Queries. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/A3W7472W9HPQSUJJ/186819f399a0a00ced3e6d0c5ce4f69a817b230fbd7518cfd7dc44796e9e672e>
- 194 Chemical Industries (Far East) Ltd. (2025, July 11). Annual Report for FY2025. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/89DBZ87VUCWWHAOZ/7893b0f64733bf5089e1783978c799a167f36d0afe6e22f0b3a4415cd609ed0d>
- 195 *Ibid.*
- 196 Chemical Industries (Far East) Ltd. (2025, July 15). Retirement of Mr Lim Soo Peng, Emeritus Chairman. Retrieved from <https://links.sgx.com/1.0.0/corporate-announcements/7XQRLE0M8ALRUC17/8564ad6de0ddaada745992ffe887821fff88a90e06903583fa3d5bfbf3ea0ff4>



BROKEN ALLIANZ WITH INCOME*

Case overview

Allianz, a German insurance multinational, scrapped its bid to acquire at least 51% of Income Insurance (Income) for about EUR1.5 billion (\$2.2 billion) on 16 December 2024. The withdrawal followed public outcry and government intervention highlighting concerns that the acquisition would detract from Income's social mission to provide affordable insurance to lower-income workers.

Previously a co-operative under the National Trades Union Congress (NTUC), Income became a corporate entity in 2022 purportedly for growth flexibility. In its corporatisation, Income received a ministerial exemption for about S\$2 billion to be carried over to the new entity that would have otherwise gone to the general co-operative sector. The government stepped in to block the deal after an intention to reduce Income's capital and return S\$1.85 billion in cash to shareholders came to light.

The objective of this case study is to facilitate discussion of issues such as corporate governance of co-operatives versus a company limited by shares; board structure and composition; independence of directors; financial reporting and disclosures; conflicts of interest; minority shareholder protection; balance between commercial and social objectives for social enterprises; and the role of regulators and the government in safeguarding social missions.

Introduction

Income is one of the leading composite insurers in Singapore, offering life, health and general insurance.¹ It pledges to put people first by serving the protection, savings and investment needs of individuals, families and businesses.²

Income has a unique history and role in serving Singaporeans. The notion of labour movement co-operatives, or social enterprises, first came about at the Modernisation Seminar organised by National Trades Union

* This case study draws substantially from the 2-part report "Broken Allianz With Income" published in June 2025, authored by Professor Mak Yuen Teen and supported by research assistants Andrea Aw Zhi Yi and Shivam Kaushik. The case was developed largely from published sources but include the reflections of Professor Mak based on his attendance at Income Insurance's AGM on 24 June 2025. The case is solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

Congress (NTUC) in 1969, where Mr Devan Nair, who was then the adviser to NTUC,³ explained the necessity for the labour movement to turn into a social institution to serve Singaporean workers in different ways.⁴ Dr Goh Keng Swee, who was then Minister for Finance, urged NTUC to set up social enterprises in domains like life insurance and essential consumer goods to answer the needs of the working population.⁵

Income was established in 1970 under the name NTUC Income Insurance Co-operative Limited to plug social needs and extend essential insurance to people in Singapore.⁶ NTUC Enterprise (NE), also a co-operative, was later set up in 2012 as a holding entity for the various social enterprises under the labour movement.⁷ Over the years, Income played a pivotal role in providing affordable insurance for workers at large.

As at 31 December 2023, Income covered close to 1.7 million customers, with an ambition to serve 1 in 2 Singaporeans by 2025.⁸

Members of the co-operative

As a co-operative, Income had three types of Members: Founder Member, Institutional Members and Ordinary Members. The Founder Member was the NTUC; Institutional Members were the “Singapore Labour Foundation, trade unions and co-operative societies as may be accepted by the Board”; and Ordinary Members were “individual persons who hold an individual life insurance policy with the Co-operative or hold at least 10 Common Shares in the Co-operative or are such other persons who may from time to time be admitted at the discretion of the Board on such terms as the Board may decide and in accordance with the By-Laws of the Co-operative”⁹

Director election rights

Even though NTUC only owned 10,000 shares (0.01%) which increased to 1,928,520 shares (1.95%) in FY2018 and then decreased back to 10,000 shares (0.01%) in FY2021, seven of the 12 directors on the Board in FY2021 were elected to represent the Founder Member (including the Chairman and Deputy Chairman), with another three elected to represent Institutional Members, and two elected to represent Ordinary Members.

Common shares and permanent shares

The share capital of Income as a co-operative comprised of Common Shares and Permanent Shares.

The rights associated with Common Shares and Permanent Shares are explained in the Annual Reports as follows:¹⁰

Common shares

A Member of the Co-operative may attend and vote in person at any General Meeting of the Co-operative. Ordinary Members have one vote each, and Institutional Members and the Founder Member, each have a total number of votes equal to the number of Common Shares and Permanent Shares (if any) held.

An Ordinary Member who holds only Common Shares and does not hold any Permanent Shares may withdraw his Common Shares, on giving three months’ notice in writing. The Board may at its discretion and on such conditions as it deems fit, waive or vary the notice period and allow the withdrawal of the Common Shares at an earlier date.

The Ordinary Member withdrawing shall be entitled on the expiry of his notice to receive as the value of his Common Shares the lesser of the nominal value of the Common Shares; and what they are worth as disclosed by the last audited statement of financial position prepared by the Co-operative.

Permanent shares

Permanent Shares are only issued to the Founder Member or any Institutional Members. Institutional Members may also convert their Common Shares into Permanent Shares.

Permanent Shares cannot be withdrawn and cannot be converted to Common Shares; but may be transferred with the approval of the committee of management of the society (this refers to the Board, in the context of the Co-operative) and in accordance with this Act and the By-laws of the society.”

NTUC Enterprise’s increasing stake

NE, an Institutional Member, had the largest stake when Income was a co-operative and became the largest Institutional Shareholder after corporatisation.

In FY2015, NE’s stake in Income increased from 12,735,248 shares (29.0%) to 33,058,822 (51.7%) as a result of the issuance of new shares at S\$10 per share.¹¹ As at the end of the previous financial year ending 31 December 2014, the net asset value (NAV) per share was S\$55.40.¹² In FY2017, 33 million more shares were issued to NE at S\$10 per share, increasing the number of shares NE held from 33,058,822 (50.3%) in FY2016 to 66,058,822 (66.9%) in FY2017.¹³ As at 31 December 2016, NAV per share was S\$42.09.¹⁴ NE’s stake eventually increased to 77,977,342 shares (71.6%) in FY2021 from further issuances of shares to NE at S\$10 each.¹⁵ Between FY2017 and FY2020, the average NAV per share was S\$37.21.¹⁶

Until FY2017, Income only had one class of Common Shares. In FY2018, 66,058,822 of the Common Shares held by NE were converted to Permanent Shares.¹⁷ This was following the introduction of the amended Co-operative Societies Act which “stipulates that a society may issue a new class of shares called Permanent Shares, only to an institutional member and that the institutional member of a society may, with the written approval of the Registrar, subscribe, in accordance with the By-laws of the society, for permanent shares issued by the society”¹⁸

Under the amended Act, “Permanent Shares cannot be withdrawn and cannot be converted to Common Shares; but may be transferred with the approval of the committee of management of the society (this refers to the Board, in the context of the Co-operative) and in accordance with this Act and the By-laws of the society”¹⁹

Income amended its By-laws to allow it to issue Permanent Shares and also convert Common Shares which were issued to Institutional Members to Permanent Shares. Permanent Shares issued as a result of the conversion of the Common Shares rank *pari passu* in all respects with any existing Permanent Shares.²⁰

In FY2020, Income issued an additional 10 million Permanent Shares to NE at S\$10 each.²¹ The NAV as at the end of FY2019 was S\$39.01.²² In FY2021, another 1,918,520 Common Shares held by NE were converted to Permanent Shares.²³

The issuance of new shares to NE at S\$10 per share between FY2015 and FY2020, which allowed NE’s stake to be increased from 29.0% in FY2015 to 71.6% in FY2021, were all done at well below the prevailing NAV per share at the particular time.

Corporatisation exercise

In 2022, Income embarked on a corporatisation exercise to change its legal form from a co-operative governed by the Co-operative Societies Act (CSA) to a company to be governed by the Companies Act.²⁴ The existing co-operative shareholding profile was replicated in the shareholding profile of the new corporate entity, and the members of the co-operative received *pari passu* distribution in specie of shares in the new entity.²⁵

The rationale given for the corporatisation was to better enable Income to meet tightening regulations for financial institutions which necessitated a strong capital base.²⁶ The co-operative structure was said to face limitations and was deemed not conducive to stronger capital access and strategic partnerships.²⁷ In the face of increasing global competition, Income said it needed a corporate structure to put it on par with competitors.²⁸

Nevertheless, Income pledged to remain committed to its purpose, promising S\$100 million over 10 years to sustainability causes, including environmental and social ones.²⁹ It assured that corporatisation would have

no impact on Income's policyholders, distribution channels, business partners, organisational structure and business operation, serving to only change Income's legal form.³⁰ The corporatisation exercise was completed on 6 April 2023.

As at 31 December 2023, NE owned about 72.8% of Income, with another 22 institutional shareholders which are co-operatives owning about 1%, and 15,835 individual shareholders owning the remaining 26.2%.³¹

Exemption from section 88 of the CSA

As part of corporatisation, Income sought an exemption from Section 88 of the CSA, which applies when a co-operative is put into liquidation.³² Under this section, when a co-operative ceases being a co-operative and is wound up, its members can only be paid their original share capital plus any unpaid dividends up to a cap, after settling the costs of liquidation and the co-operative's liabilities. Any surplus funds in the co-operative would be transferred to the Co-operative Societies Liquidation Account to be applied for the benefit of the co-operative sector generally.

The reason for the exemption application was that in substance, Income was not being liquidated but was merely changing its legal form and would continue to be engaged in the same business.³³ Thus, Income submitted that the exemption was needed to facilitate corporatisation so that its accumulated surplus (beyond par value) could be carried over to the new corporate entity for the continuity of business.³⁴ The government granted the exemption and was of the view that the carrying over was an integral part of corporatisation to strengthen Income's capital base and financial adequacy.

Income's retained earnings were all converted to share capital in the new corporate entity. Income thus carried over about S\$2 billion to the new corporate entity.

To continue providing an annual payout to shareholders for FY2022, Income further sought approval from the MAS to reduce its share capital by about S\$43 million.³⁵ Income submitted that this was necessary because "FY 2022 was a transition year where Income changed its legal form, and had all retained earnings in the co-operative converted to share capital in the new corporate entity".³⁶

Income reported a profit after tax attributable to shareholders of S\$59.9 million for the 18 months from 1 July 2022 to 31 December 2023 (referred to as Financial Period 2023 ("FP2023") henceforth since it is for 18 months). It did not report results for the period from 13 October 2021 (the date of incorporation of Income as a company limited by shares) to 30 June 2022.

Figure 1 shows the accounting impact of the capitalisation of the accumulated surplus and capital reduction in Income's consolidated statement of financial position and consolidated statement of changes in equity in Income's FY2021 and FP2023 annual reports.

Statement of financial position (S\$000)	FY2021	FP2023
Share capital	1,088,879	3,203,821
Accumulated surplus	3,164,790	57,699
Total equity	4,359,902	3,167,869

Statement of changes in equity (\$000)	FP2023
Share issuance	3,246,821
Capital reduction*	(43,000)

* Capital reduction exercise to return capital of 40.115 cents per share amounting to \$43 million to shareholders without cancellation of any shares, effective on 14 August 2023.

Figure 1: Capitalisation of accumulated surplus and capital reduction³⁷

Source: Income's FP2023 annual report

It is unclear from the financial statements as to why total equity fell from S\$4.36 billion pre-capitalisation in FY2021 to S\$3.17 billion post-capitalisation in FP2023.

The payout to shareholders for FY2022 was deemed consistent with the ordinary course of business as NTUC Income had distributed dividends to its members in previous years prior to corporatisation.³⁸ Both the total quantum and amount per share in FY2022 were lower than what NTUC Income had paid out in annual dividends in the prior five years.³⁹

MAS granted approval for Income's capital reduction of \$43 million.

Financial performance and capital management

Figure 2 shows several key financial performance indicators for Income from FY2018 to FP2023. Gross premiums increased until FY2021, while profitability and return on equity declined from FY 2021. Gross premiums for the 18-month period ending 31 December 2023 totalled S\$4.9 billion compared to S\$4.6 billion for the 12 months ending 31 December 2021.

S\$000	2018	2019	2020	2021	2023 (18 months)
Gross premiums	3,631,919	3,941,234	4,261,065	4,604,638	4,857,797
Net operating surplus/PBT	170,581	326,052	374,465	169,787	98,681
Net surplus/PAT	154,430	312,073	376,043	161,833	60,387
Total comprehensive income/loss	126,935	363,843	387,220	159,318	-35,050
Net operating cash flows	632,069	-521,435	1,292,069	1,091,561	-1,233,186
Return on equity	4.38%	8.09%	8.82%	3.71%	1.91%

Figure 2: Financial performance of Income⁴⁰

Net assets as at 31 December 2023 stood at about \$3.18 billion and the debt-to-total assets ratio was 0.93.

In the Letter to Shareholders in Income's FP2023 Annual Report, it was stated: "The latter half of 2022 and 2023 was a challenging period. We faced unprecedented interest rate hikes during the second half of 2022 and ongoing inflationary pressures and geopolitical tensions that exacerbated macro-economic uncertainties, which extended throughout 2023. Overall, the company's gross premiums over the period were \$4.9 billion reflecting a strong in-force book and the benefits of a composite business portfolio... The confidence in Income Insurance remains high post-corporatisation. S&P Global Ratings continues to rate Income Insurance 'AA-' with a stable outlook, a credit rating that we have held since 2009. It marks the continued confidence in our financial strength, solid business position in Singapore and our growth opportunities regionally... Our Capital Adequacy Ratio remains well above the minimum regulatory levels and underscores our strong competitive position and diversified business mix".⁴¹

Professor Mak Yuen Teen (Professor Mak), a corporate governance advocate, said that Income should have explained the causes of the deterioration in financial performance in 2022 and 2023 and the steps it was taking to address them.⁴²

The Notes to the financial statements for Income in the FP2023 Annual Report states: "The Group's capital management focuses on three key relevant capital ratios: the Capital Adequacy Ratio ("CAR"), the Participating Fund Solvency Ratio ("Par FSR") and the Tier 1 Capital Ratio ("Tier 1 Ratio"). The CAR, Par FSR and Tier 1 Ratio of the Group remains well above the solvency requirements."⁴³

With the adoption of a new reporting format for the Consolidated Statement of Comprehensive Income based on new accounting standards, gross premiums are no longer shown. The 12-month FY2024 results are also not directly comparable to the restated 18-month FP2023 results. Profit before tax for FY2024 was S\$33.92 million versus the restated S\$71.97 million for FP2023, while profit after tax was \$44.82 million and S\$15.27 million respectively.⁴⁴

A change in year end, a reporting gap and lack of transparency

Income's last annual report as a co-operative was the FY2021 Annual Report for the year ending 31 December 2021. The FP2023 Annual Report was Income's first annual report post-corporatisation. The report covered the reporting period from 1 July 2022 to 31 December 2023. In the Independent Auditors' Report, the following statements were included under "other matters":

"The financial statements for the period ended 30 June 2022 were unaudited. The Company had applied the exemption from duty to prepare financial statements and was exempted from audit under Section 201A and Section 205B of the Act respectively for the period ended 30 June 2022.

On 19 December 2022, the Company obtained approval from the Accounting and Corporate Regulatory Authority to change its financial year end from 30 June to 31 December. The change of financial year results in the second financial year covering period from 1 July 2022 to 31 December 2023."

Income's financial year-end prior to corporatisation was 31 December. According to Professor Mak, it appears that when Income Insurance incorporated as a company, it selected 30 June as the year end which was different from its year end as a co-operative, and then applied to change it back to 31 December. Income did not report any financial results for the period from 1 January 2022 to 30 June 2022. He said it is unclear why 30 June was chosen as the year end when 31 December was the year end all along, and then was changed back, as appears to have happened based on the company's disclosures.⁴⁵

Income was exempted from preparing and presenting audited financial statements for its first financial year covering the period from 13 October 2021 (its date of incorporation) to 30 June 2022.⁴⁶

Total equity was S\$4.36 billion as at the end of 31 December 2021 (its last year of reporting as a co-operative) but was only S\$3.17 billion by the time it reported for the first time as a company at the end of the 18-month period ending 31 December 2023. The sum of its share capital and accumulated surplus at the end of 31 December 2021 was S\$4.28 billion but the share capital at the end of 31 December 2023 was only S\$3.2 billion after the capitalisation of its entire accumulated surplus.

Professor Mak said that it is odd that Income did not have to present audited results for the period from 13 October 2021 to 30 June 2022.

Income shareholders had questioned the fall in NAV per share at the first Annual General Meeting that Income held post-corporatisation on 17 May 2024. The minutes stated: "Shareholder 3...sought clarification on the significant decline in NAV from S\$40 to S\$29.95 since the end of 2022."⁴⁷ The answer from the CEO was: "... NAV was impacted by realised and unrealised losses on investments due to fluctuations since 2021, some of this was recognised in the financial statements of the previous Co-operative prior to the transfer of the business. In addition, the capital reduction exercise in August 2023 also contributed to the decrease in NAV."⁴⁸

Another shareholder also questioned this: "Shareholder 6 questioned why the substantial NAV drop from S\$40 at the end of 2021 to S\$29 was not prominently highlighted in the Annual Report."⁴⁹ This is what the minutes said: "The CFO reiterated the CEO earlier comment that the reduction in NAV per share arising from the impact of interest rate volatility had been recognised in the former Co-operative. The current periods profit [sic], which included realised and realised gains [sic] during the period from interest rate movements, has been reflected in the closing NAV per share of the Company."⁵⁰

In Professor Mak's view, the answers from Income management lacked transparency. He pointed out that the NAV per share fell by a quarter as total equity fell from S\$4.36 billion as at the end of 31 December 2021 (its last year of reporting as a co-operative) to S\$3.17 billion at the end of 31 December 2023 (its first reporting period as a company). The amount recognised in the financial statements of the previous Co-operative prior to the transfer of the business was not disclosed in either the last annual report published as a co-operative for

FY2021 or the first annual report published as a company for FP2023. Income was granted an exemption from the duty to prepare and audit the financial statements for the period ended 30 June 2022 under Section 201A and Section 205B of the Companies Act. No such financial statements can be found on Income's website. The capital reduction mentioned accounted for only S\$43 million of the S\$1.2 billion decline in total equity between 31 December 2021 and 31 December 2023.⁵¹

Management's answers to shareholders' questions at the May 2024 AGM provided a hint on the possible causes of the fall in NAV. According to Professor Mak, CNBC called 2022 the "worst-ever year" for U.S. bonds largely due to the U.S. Federal Reserve raising interest rates aggressively, which saw a collapse in bond prices caused by the spike in interest rates.^{52,53} The first six months were particularly bad, being described as the "worst 6 months ever" for financial markets.⁵⁴ Income's last set of published financial statements as a co-operative shows debt securities accounting for by far the highest allocation among "other financial assets".⁵⁵ In the FY2021 Annual Report, the Chairman's message in the Directors' Report acknowledged that the net operating surplus for that year "was lower, primarily due to fair value investment losses of our bonds which were impacted by higher interest rates and credit risk uncertainties".⁵⁶

Professor Mak also pointed out that for the six months ended 30 June 2022, fellow insurer Great Eastern Holdings reported a "changes in fair value" of nearly S\$7.2 billion, compared to a loss of S\$388.8 million for the comparative six-month period in 2021.⁵⁷ He said that it therefore appears that the interest rate volatility mentioned by management likely contributed to a more than S\$1 billion loss in the first half of 2022 that did not appear in any financial statements published by Income and was not fully explained by the Board and management.⁵⁸

Over the two-year period from 31 December 2021 to 31 December 2023, Great Eastern had a roughly 21% drop in NAV while Income saw a drop of about 27%. New SFRS(I)s and amendments and interpretations of SFRS(I) came into effect on 1 January 2022. SFRS(I) 17 Insurance Contracts (which replaced SFRS(I) 4 Insurance Contracts) is a comprehensive new accounting standard for insurance and reinsurance contracts covering recognition, measurement, presentation and disclosure, and is expected to have a material impact on insurers' condensed consolidated financial statements in the period of initial application.

Professor Mak said that Income should have provided greater clarity to its shareholders on the 27% decrease in NAV - how much was due to losses and the nature of these losses, and how much was due to the application of new accounting standards. He felt Income shareholders deserve better transparency.

At Income's AGM for the year ended 31 December 2024 held on 24 June 2025, Professor Mak sought confirmation that Income had lost more than S\$1 billion through realised and unrealised fair value losses from investments during the first six months of 2022, and eventually the Chief Financial Officer (CFO) confirmed that this was indeed the case⁵⁹.

At the end of FY2024, the NAV per share had increased back to S\$31.79 per share, still well below the NAV per share as at the end of FY2021.⁶⁰

Board of directors

The Board of Directors of Income as shown in the FP2023 Annual Report comprised 12 directors. All are non-executive directors as Income's CEO is not a member of the Board. Appendix 1 shows the members of the Board, their roles and date of appointment.⁶¹

According to Professor Mak, Income's Board is unusually large for an insurance company, even in comparison to insurance companies that are listed. For example, he pointed out that among Singapore listed insurance companies, Great Eastern Holdings has 10 directors while UOI has 7 directors. He added that a 2024 study he conducted of all 33 listed and unlisted Malaysia insurance companies found that the largest board had only 9 directors. He said it is unclear why Income needed such a large Board. Further, despite having such

a large Board, Income still felt the need to retain Mr Kee Teck Koon, its former Deputy Chairman who stepped down from the Board in 2023, as the Board Advisor.⁶² Mr Kee was appointed to the Income Board in June 2014. He is also Director and Board Advisor of NE, the major shareholder of Income, and holds several other directorships, including in listed companies. He retired as Chief Investment Officer of CapitaLand Limited in July 2009. After a 12-year career with the Singapore Armed Forces and Ministry of Defence until 1991, Mr Kee held senior management appointments with several organisations, including within the CapitaLand Group.

Although 10 out of the 12 directors are independent, Mr Ronald Ong and Ms Adeline Sum, the only two non-independent directors, held the roles of Chairman and Deputy Chairman respectively. Mr Ong is non-independent because he is a non-executive director of NE. He is also a Board member of NTUC FairPrice Co-operative Limited. Further, even prior to Morgan Stanley being appointed as the financial advisor for Income in the Allianz deal, Morgan Stanley has had a business relationship with Income at least since 2019, the year Mr Ong joined the Income Board as a non-independent non-executive director. Income's Corporate Governance disclosures in its 2023 Annual Report states: "[Mr Ronald Ong] is a director of Morgan Stanley Investment Management Company with which the Company has a business relationship".⁶³ The 2019,⁶⁴ 2020,⁶⁵ 2021 Annual Reports also state that Mr Ong "is non-independent due to business relationship".⁶⁶ It did not state what the business relationship was for these years, but is not expected to do so since Mr Ong is not determined to be an independent director.

In the case of Ms Sum, she is non-independent by virtue of the fact that she is the CEO of NE.

In Professor Mak's view, for better corporate governance, Income should have appointed an independent Chairman who is not affiliated with its major shareholder, NE. However, Income appointed Ms Joy Tan, a partner at law firm, WongPartnership, as Lead Independent Director (LID) to compensate for the fact that the Chairman is non-independent.

The Board of Income is made up of individuals with impressive credentials, with one-third of female directors. However, Professor Mak said that it has a rather narrow mix of competencies for such a large Board. Half the directors have a banking, investment and/or real estate background, one has a legal background, two have an accounting background, and one has a technology background. Two directors – Mr Robert Charles, an actuary by training with significant experience in consulting for the insurance sector, and Mr Charles Ellis, an accountant by training with extensive working experience in the insurance sector – have a strong insurance background. Ms Sum, the CEO of NE and Deputy Chairman of Income, has served within the NTUC network of organisations since 1993, worked on employee-related issues, and helmed several NTUC social enterprises.

Professor Mak felt that, overall, for a social enterprise, there appears to be not much of a "social" component in the composition of the Board, even though as one would expect, a number do serve in volunteer roles in not-for-profit organisations. He said this raises the question of the extent to which board decision-making adequately considers Income's social objectives.

Professor Mak believed that the Income Board should review its composition to ensure that it is fit for purpose, by having a greater diversity of competencies and reducing the number of individuals having banking and investment backgrounds. He said its large Board size as a co-operative is likely a function of the rights of different Members to elect directors to represent their interests and it should now consider reducing its Board size.

As at the date of publication of the FY2024 annual report, the Board size of Income remained at 12 directors. However, there was no mention of the Board Advisor. On 9 June 2025, it was announced that Income Chairman Mr Ong would not seek re-election at the company's coming AGM. However, it said: "Ronald remains on the NTUC Enterprise Board and will be steering the private investment portfolio within NTUC Enterprise going forward, leveraging his deep expertise, wide network, and strong commitment to create value for customers and shareholders."⁶⁷

At Income's AGM for the year ended 31 December 2024 held on 24 June 2025, nine of the directors stood for re-election.⁶⁸ It was announced that Ms Joy Tan, the LID, will be appointed as Chairman subject to her being re-elected and regulatory approval.⁶⁹ Professor Mak pointed out that Ms Tan has already served eight years and under the 9-year tenure limit for IDs for insurance companies, she can no longer be considered independent after another year. He asked if she will retire upon reaching nine years – which means she will only have a short “runway” as Chairman – or whether she will be re-designated to non-independent and remain on the Board. Ms Tan replied that it would depend on whether the Board believes she will add value by remaining as a non-independent Chairman. Ms Tan was duly re-elected at the AGM⁷⁰ and her appointment as the new Income Chairman was approved by the Monetary Authority of Singapore (MAS).⁷¹

Professor Mak also pressed the Board on its large size.⁷² Ms Sim Hwee Hoon, Chair of the Nominating, Human Capital and Remuneration Committee, replied that Income was an independent company, and not a subsidiary of a multinational which tends to have smaller boards. However, Professor Mak responded that the listed Singapore insurance companies and the 33 Malaysian insurers he looked at include many which are not subsidiaries of multinationals, and all have smaller boards than Income.

Allegiance and independence of directors

Income's Board has gone through significant changes in composition over the past few years. Appendix 2 shows the changes in Board composition in the five years leading up to the proposed Allianz acquisition.

Prior to the corporatisation of Income, directors were elected to represent either the Founder Member, Institutional Members or Ordinary Members.

Although Income's annual reports published prior to the corporatisation state that all directors except three are independent - including those who are elected to represent the Founder Member, Institutional Members or Ordinary Members – Professor Mak argued that they should not strictly be considered independent if they were elected to represent a particular group of members. He compared this to a director in a listed company representing a substantial shareholder. Under the Insurance (Corporate Governance) Regulations 2012 (ICCR), a director would not be considered independent from a substantial shareholder if that individual is “accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.”⁷³

Among the 10 independent directors who are currently on the Income Board, only two – Mr Craig Ellis and Mr Chew Sutat – were not elected to represent a particular group of Members prior to the corporatisation. Four of the remaining eight independent directors were previously elected to represent the Founder Member, two were elected to represent Institutional Members, and the remaining two were elected to represent Ordinary Members.

In Professor Mak's view, when Income corporatised and removed the election of directors to represent certain Members, it should have worked towards a significant restructuring of its Board to appoint truly independent directors who were not previously appointed to represent certain Members.

Board committees

Under the ICCR which applies to Income, it is required to have an Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee.⁷⁴ Income's FP2023 Annual Report disclosed that it has six Board Committees – Audit; Investment; Risk Management; Nominating, Human Capital and Remuneration; Digital and Technology; and Sustainability Committees.⁷⁵

However, according to the directors' biographies in the FP2023 Annual Report, there is a seventh Board Committee, a Board Executive Committee, chaired by the Board Chairman with six other members, including the Deputy Chairman and LID. This new committee was established on 1 January 2024.⁷⁶

Directors' remuneration

Post-corporatisation, there was a substantial increase in non-executive directors' remuneration. For FY2021, a total remuneration of S\$967,621 was paid to 13 directors (including a newly-elected director and a retired director who served for part of the year). Although Income disclosed the fee structure and actual remuneration paid to each non-executive director, the total actual remuneration did not require approval by members at the AGM held in May 2022. As a co-operative, members were only asked to "approve a resolution for the payment of honoraria to directors".⁷⁷

In the next FP2023 annual report published by Income, the actual fees paid to each director was disclosed for the period from 1 July 2022 to 31 December 2022, with the total fees amounting to S\$421,895, and for the period from 1 January 2023 to 31 December 2023, with the total fees amounting to S\$1,205,915.⁷⁸ At the AGM in May 2024, shareholders were asked to pre-approve directors' fees of up to S\$1,392,000 for the financial year ending 31 December 2024, payable in arrears. They were also asked to approve additional directors' fees of S\$46,904.11 for the newly-formed Sustainability Committee for the period from 1 June 2023 to 31 December 2023.⁷⁹

Therefore, based on the full year remuneration for non-executive directors, total remuneration paid to them increased by 24.6% from FY2021 to FP2023. The remuneration paid to the Board Advisor was not disclosed but is determined by the Nominating, Human Capital and Remuneration Committee under its terms of reference.

For FY2024, the actual total remuneration paid to the non-executive directors was \$1,285,000. This is excluding the fee payable to Ms Sum, the ex-officio appointment of NE on Income's Board, as the fee was waived by NE.⁸⁰ The number of non-executive directors remained unchanged between FY2021 and FY2024. At the June 2025 AGM, Income shareholders approved the resolution to pay non-executive directors' fees of up to \$1,354,903 for FY2025.^{81, 82}

Based on the fee structure disclosed for non-executive directors, there was an across-the-Board increase in fees for being Board Chairman, Deputy Board Chairman, Chairpersons of Board Committees, and Members of Board Committees between FY2021 and FP2023. Income does not pay meeting fees for these directors. In FY2024, the total Board Chairman fee was increased from S\$90,000 to S\$120,000 per year.^{83,84}

Management

Andrew Yeo was appointed CEO on 1 June 2019 and remains the current CEO. He joined Income in 2015 and was Income's Executive Vice-President and General Manager of its Life & Health Business.⁸⁵ Mr Yeo sits on the Board of Directors of the International Cooperative and Mutual Insurance Federation.⁸⁶

Income also has a Management Executive Committee, headed by Mr Yeo, with 14 other members of senior management.

Executive remuneration

In the FP2023 Annual Report, income disclosed that the approximate mix of remuneration for senior management was about 56%-44%. The same mix applied for FY2024. This was not markedly different from FY2021.

However, although the Corporate Governance Guidelines issued by MAS recommend that the remuneration of at least the top five key executives be disclosed within bands of S\$250,000, Income's Board "decided not to disclose information on the remuneration of the top five key executives as the disadvantages to the Company's business interests would far outweigh the benefits of such disclosure in view of the disparities in remuneration in the industry and the competitive pressures that are likely to result from such disclosure".⁸⁷

Key management personnel remuneration for the 18-month period disclosed in the notes to the financial statements in the FP2023 Annual Report (excluding directors' fees) was S\$17.56 million.⁸⁸ This compares to S\$11.37 million for the 12-month period ending 31 December 2021.⁸⁹ Proportionately, there was not much change in this remuneration. However, for FY2024, the amount was S\$14.38 million, a 26.5% increase compared to FY2021, and significantly higher proportionately than FP2023.⁹⁰

Not only did Income not disclose the CEO remuneration and the remuneration of the top five executives in bands, it did not disclose the total remuneration paid to the top five executives other than directors and CEO, which a listed insurance company would be expected to do under the Singapore Code of Corporate Governance. There is no visibility as to how many key management personnel received the total remuneration disclosed in the notes to the financial statements.

Let's make a deal

On 17 July 2024, Allianz, the German insurer, offered to buy about 54.6 million Income shares representing at least 51% of Income in a EUR1.5 billion (S\$2.2 billion) cash deal.⁹¹ At S\$40.58 a share, the offer price was a 37.3% premium over Income's net asset value per share of S\$29.55 as at Dec 31, 2023.⁹² The offer provided approximately 16,000 minority shareholders holding a 27.2% stake in Income an opportunity to cash out their illiquid and unlisted shares.⁹³ Allianz and Income appointed J.P. Morgan Securities Asia⁹⁴ and Morgan Stanley⁹⁵ respectively as their financial advisors for the transaction.

However, the S\$40.58 a share offered by Allianz would have looked much less attractive if the NAV per share had not fallen so significantly to S\$29.55 after 31 December 2021. In fact, the NAV per share was S\$40.67 as at 31 December 2021, very close and marginally above the offer price. Going as far back as 2017, the NAV per share against which the offer price was compared was a historical low.

At the time of the offer, Allianz, Income, and the latter's parent, NE, sent details of the acquisition plans to the MAS for approval.⁹⁶ These details included information about Income returning S\$1.85 billion in cash to shareholders within the first three years of completion of the acquisition, although this was not disclosed publicly at that time.⁹⁷

According to NE, it wanted to strengthen Income's long-term competitiveness through the acquisition.⁹⁸ It revealed that Income lost out on "several key contracts to its global and regional competitors" despite putting in competitive bids, proving that "strong and continuous capital support and resilience" are needed for growth.⁹⁹ The transaction would enable Income to leverage on Allianz's knowhow in asset management, and technology and product development.¹⁰⁰

NE maintained that Income will continue to be an important, financially profitable and socially responsible business, aligned with the object of "*empowering financial well-being for all*".¹⁰¹ NE and Income said that the deal was necessary for continuity of Income's social mission.¹⁰² The reasons given were that insurance is a long-tail business; Income's capital buffers had repeatedly come under pressure over the years; and NE had supported Income with capital injections but cannot continue to do so on its own.¹⁰³

From Allianz's perspective, acquiring a majority stake in Income would elevate its presence in the "fast-growing and attractive Singapore insurance market".¹⁰⁴ Ms Renate Wagner, an Allianz Board member who was responsible for the Asia-Pacific region, mentioned that "this proposed transaction brings two strong businesses together for the benefit of Singapore's customers and solidifies Allianz's leadership position in the region".¹⁰⁵

Had the deal not fallen through, NE's 72.8% controlling stake in Income would have been whittled down to between 21.8% and 49%, depending on how minority shareholders tendered their shares.¹⁰⁶ Additionally, Allianz would have been lifted from the ninth largest composite insurer in Asia to the fourth.¹⁰⁷ It projected that the transaction would generate a double-digit return on investment for Allianz in the mid-term.¹⁰⁸

The hunter: Allianz

Allianz is ranked number 82 on the Fortune Global 500.¹⁰⁹ For the financial year ending 31 December 2023, it reported insurance revenue of EUR91.25 billion (approximately S\$133.83 billion).¹¹⁰ This was nearly 30 times the gross premiums reported by Income. Its total assets as at 31 December 2023 was about 33.5 times that of Income.¹¹¹

Under the German system of corporate governance, there is a two-tier board structure, with a Supervisory Board and an Executive Board. The German corporate governance system requires a clear separation between supervisory and operational responsibilities and the CEO is not allowed to be a member of the Supervisory Board.

As a large listed company in Germany, Allianz is required to have employee representatives making up at least half its Supervisory Board under Germany's "co-determination" law. Allianz has a 12-member Supervisory Board with six Shareholder Representatives and six Employee Representatives. The duties of the Supervisory Board are clearly set out in its Rules of Procedure.¹¹²

With respect to acquisitions not involving related parties, the approval of Allianz's Supervisory Board is only required if the market value, or in the absence of a market value, book value is equal to or exceeds 10% of the equity capital of Allianz's consolidated balance sheet or the transaction volume is at least EUR5 billion. The proposed acquisition of Income would not reach these thresholds and would therefore be a decision that can be made by Allianz's Executive Board, which is chaired by the Group CEO, without the approval of the Supervisory Board.

Allianz recognised Singapore as a leading global financial hub, buttressed by rapid wealth growth and a strong regulatory environment.¹¹³ Allianz described the Asia-Pacific region as a "strategically important growth area" and noted the region's potential, particularly in providing retirement solutions.¹¹⁴ In 2023, Allianz generated EUR7.7 billion in total business volume across its property-casualty and life/health retail insurance businesses in Asia-Pacific.¹¹⁵ The Group CEO of Allianz, Oliver Baete, expected a "double-digit return on investment over time" on its acquisition of Income.¹¹⁶

The backlash

The announcement of the proposed acquisition by Allianz sparked huge backlash from former management and other commentators.

Former CEO speaks out

Starting from June 2024, Mr Tan Suee Chieh (Mr Tan) wrote several posts on LinkedIn objecting to the acquisition. Mr Tan served as Income CEO from 2007 to 2013 and NE Group CEO from 2013 to 2017.¹¹⁷

In his first post, he brought up the following issues:¹¹⁸

1. Income should stay independent, imaginative, and socially focused.
2. The life savings insurance segment is capital-intensive and strays from Income's social mission.
3. Bancassurance deals are costly and misaligned with social goals.
4. Income has already served its role in moderating insurance prices and can now focus on other impactful areas.
5. Allianz's expertise is accessible from other sources and there was no need to sell out for it.
6. The deal brings no financial benefit and challenges the sincerity of NTUC's motives.
7. Income already has enough capital to compete and excel without external help.

8. Past commitments made by NTUC as a majority stakeholder should be honoured.
9. Income's duty is to serve the public, not foreign shareholders.
10. Income should uphold its values and resist a shift toward profit-driven motives.

In subsequent posts, Mr Tan raised the following additional key points:

1. Income and NE had committed in 2022 to NE retaining majority ownership post-corporatisation, but this commitment was now being reversed with the acquisition.
2. NE injected shares at par value (S\$10) between 2015 and 2020, despite higher economic value, which was only justified at that time due to non-redeemability. Post-corporatisation, those shares are now tradable at market value, enabling NE to capture large gains while diluting minority shareholder value.
3. A 2022 memorandum to MAS raised these concerns and MAS acknowledged them and referred the matter to the Registrar of Cooperatives, who took no further action.
4. There are issues of governance, fairness, transparency, and the need for better protection of minority shareholders. This called for public accountability and regulatory reform to prevent similar cases in the future.

On 27 July 2024, Mr Tan published a commentary in Channel News Asia.¹¹⁹ He emphasised that the proposed sale contradicts past assurances that corporatisation would not change Income's mission and that the deal brings no added investment or capability, appearing to be a cash-out move by NE that breaches commitments made in 2022. Mr Tan argued that Income's social enterprise DNA, built on trust, affordability, and national service, is fundamentally incompatible with Allianz's profit-first ethos. Allianz's focus on shareholder value risks eroding decades of public confidence. He stressed that Income can thrive without being part of a multinational, and should return to offering essential, transparent, customer-first products like health and term insurance. He added that what Singapore needed was more organisations that put people before profits, not the other way around.

Mr Tan then wrote an open letter to MAS Chairman Mr Gan Kim Yong on 2 August 2024, imploring government regulators to step in to review the planned acquisition.¹²⁰ He reiterated the following key points:

1. NE increased its stake in Income from 30% to 70% by purchasing shares at par value (S\$10), despite the market value being much higher, with an assurance not to redeem these shares.
2. In 2022, after NTUC Income was corporatised, NE assured it would remain the majority shareholder which was a key element in the restructuring.
3. NE's plan to sell a 51% stake to Allianz risks undermining Income's social mission as Allianz is primarily profit-driven.
4. The sale raises concerns about the integrity of institutional commitments and the potential erosion of NTUC Income's social mission. The letter advocates for MAS and regulators to review the sale to ensure accountability.

It is true that when NE increased its stake from 29% to 71.6% from FY2015 to FY2021 at S\$10 per share, the NAV per share were several multiples the amount paid by NE, well above S\$30 throughout the period. Although these NE's Common Shares were converted to Permanent Shares, which were clearly stated as "cannot be withdrawn and cannot be converted to Common Shares",¹²¹ they were duly converted to Ordinary Shares with all other shares when Income was corporatised.

The concern about dilution of ordinary members was raised at Income's Extraordinary General Meeting (EGM) on 18 February 2022, which was convened to approve the proposed transfer of the insurance business to the new corporate entity Income Insurance Limited, and the proposed winding up of NTUC Income under the Co-operative Societies Act 1979 and to distribute the assets of NTUC Income in cash or in specie

to the shareholders of NTUC Income.¹²² One member noted that the redeemable shares were only issued to institutional members and said that this “hugely diluted the individual shareholders who used to own two-thirds of the share capital.”¹²³

In response, the CEO said that he had shared during his presentation “that because of the nature of the co-operative share, members enter at par and exit at the lower of par or the Net Asset Value (NAV). Any capital injection does not affect the price of the co-operative share and hence, there was no dilution for this reason.”¹²⁴

In his presentation at the EGM, the CEO said: “In anticipation of the changes to the CSA to introduce irredeemable shares, NE injected \$200 million and \$330 million in 2015 and 2017 respectively. NE injected another \$100 million in 2020 in view of the challenges in the pandemic year, and this capital was critical in supporting Income’s solvency at the peak of the pandemic crisis when Income’s capital adequacy ratio came under pressure. NE’s commitment to back Income’s long-term growth was further strengthened when NE converted its co-op shares to irredeemable shares in 2018 after this new class of permanent shares was introduced. The conversion to permanent shares is only open to institutional members, and not ordinary members, as the CSA aims to unhold the co-operative value...by maintaining ordinary members’ flexibility to enter and exit the co-op membership by retaining the redeemable feature of their shares.”¹²⁵

When Income was subsequently corporatised, all permanent shares and common shares were converted to a single class of ordinary shares with the same rights and value. NE significantly increased its stake at S\$10 per share which are now potentially worth substantially more, while ordinary members were unable to acquire the permanent shares.

Former director voices objection

The LID of Income when the first capital injection by NE was made in 2015, Dr Audrey Chin, also spoke out against the deal on Facebook.¹²⁶ Dr Chin raised the following key points:

1. The company is profitable and fulfilling its social mission of providing affordable insurance. Since it is doing well, there seems to be no reason to sell it.
2. NE argues that more capital is needed, but Allianz is only buying shares from existing shareholders, not injecting new capital.
3. There are concerns that Allianz, a profit-driven company, may not prioritise Income’s social mission and NE provides no guarantees for this.
4. The billions from the sale will go to NE, which may use it for ventures in education and health. However, there is no clear oversight of how the money will be spent.
5. The lack of clear answers and oversight raises concerns about the long-term impact of the deal and the erosion of Income’s founding values.

More objections

Mr Tan Kin Lian, who served as CEO of Income for 30 years, also raised objections in an article in The Online Citizen,¹²⁷ in which he highlighted the following issues:

1. Over one million policyholders, mostly ordinary Singaporeans, fear rising premiums and lower returns if control shifts to a foreign entity.
2. Public figures view the sale as a betrayal of Income’s founding purpose to serve workers and the common man.
3. Allianz has not committed to injecting new capital despite being positioned as a solution for growth.

4. Income has sufficient capital for health and motor insurance, which form a major part of its business.
5. Income can focus on investment-linked life insurance to reduce capital strain, rebuild its in-house sales force to lower costs, and leverage union and community networks for outreach.
6. Income can thrive and fulfil its mission without foreign ownership by returning to its original strategies.

Other commentators question deal

The proposed deal was also met with concerns from the Singapore public regarding whether the sale of a majority stake in Income would dilute its social purpose and result in higher insurance premiums.¹²⁸

Comments on CNA's Facebook post showed the Singapore public appeared unconvinced by the justification for the sale of Income.¹²⁹ Questions were raised about how the merged entity would continue its social causes despite NE not retaining a majority stake.¹³⁰

Some commentators said that Income was set up with a "social-minded" agenda and felt that management had diverged from Income's original goals.¹³¹ Ambassador-at-Large Professor Tommy Koh, in a Facebook post on 23 July 2024, said that "[he did not think] it [was] a good idea to sell Income. It was founded to serve a social purpose and a social need. They remain valid today. I wish to argue that Income and FairPrice should never be sold."¹³²

Professor Mak's first comments on the proposed acquisition questioned whether Income was too profit-focused. He said: "I think some of the backlash is really about the fact that Income should not be treated like other corporate entities which may be focused on pursuing growth and profits."¹³³ For a financial institution, and particularly one like Income, there is a need to take a broader stakeholder view."¹³⁴

Corporate governance issues further cloud the deal

Professor Mak subsequently raised more concerns in LinkedIn posts, covering the following points:

1. The appointment of Morgan Stanley as Income's financial advisor for the proposed acquisition gives rise to a clear conflict of interest, given that the Chairman of the Income Board is Morgan Stanley's South-East Asia Chairman and CEO.
2. The Board has not clearly explained why Allianz was chosen over other potential buyers or how it ensures Allianz aligns with Income's long-term goals.
3. While the deal may look attractive from a shareholder perspective, it may not fully account for the interests of other stakeholders, especially considering Income's social enterprise model.
4. Allianz's acquisition may risk diluting Income's social purpose in favour of financial returns. The premium paid by Allianz could lead to pressures to prioritise profit over mission. No clear commitment has been made by Allianz to protect Income's social commitments post-acquisition.
5. The Board's communication with stakeholders regarding the deal has been poor, failing to clarify key aspects like the rationale for choosing Allianz and ensuring that the price offered truly reflects Income's value.
6. Although this is not currently available in Singapore, Income could benefit from being incorporated as a benefit corporation, which would explicitly define the duties of directors to balance financial returns with the interests of diverse stakeholders.

However, Professor Mak also said that one ought to look at whether the social mission of Income is still relevant and whether there are other more impactful ways to deliver the social mission.

Board interlocks

In a further LinkedIn post, Professor Mak also raised concerns about conflict of interest due to interlocking directorships between the Boards of Income and NE.

Firstly, Mr Ronald Ong has been Chairman of Income since 2018.¹³⁵ However, he is also on NE's Board. He was co-opted to the Income Board on 23 August 2018 and formally elected as a non-independent non-executive director on 24 May 2019.

Likewise, Ms Adeline Sum served as Deputy Chairman from 2023.¹³⁶ Ms Sum holds a concurrent position as CEO of NE. Ms Sum was appointed as non-independent non-executive director to the Board on 3 November 2023.

From 2018 to 2021, Mr Kee Teck Koon was Deputy Chairman of Income whilst serving as Director and Board Advisor of NE.¹³⁷ He was first elected to the Board on 3 June 2014 and re-elected as Director representing the Founder Member on 26 May 2017. He was retained as Board Advisor after retiring from the Income Board on 1 June 2023.

Professor Mak pointed out that although board interlocks between a parent and a subsidiary are not uncommon, directors in such situations have to act in the interests of two different companies whose interests may diverge. In certain situations, the conflict of interest can become very serious, for example where a parent is trying to privatise a subsidiary. In this case, the Board of NE clearly supported the deal. However, this may not necessarily be in the best interest of Income.

Income said: "As none of the directors of Income Insurance is connected to the Offeror, under the Singapore Code on Take-overs and Mergers, all the directors of Income Insurance are considered independent for the purposes of making a recommendation on the Offer".¹³⁸

Professor Mak noted that if NE was making an offer to acquire all the remaining shares of Income, the interlocked directors would not be considered independent. Although technically in this case none of the directors is connected to Allianz, one may question whether the interlocked directors who are on the Board of NE, which has given an undertaking to sell enough shares for Allianz to acquire a majority stake, would really be able to act independently on Income's Board. However, he accepted that Income's interpretation is technically correct under the rules of Singapore's Takeover Code.

Conflict of interest

It is the conflict of interest involving Mr Ong, the Income Chairman, that raised the most serious corporate governance concerns in Professor Mak's view. Mr Ong has been the Chairman and CEO, SE Asia, at Morgan Stanley since 2023, and with the firm for over 20 years.¹³⁹ However, Morgan Stanley was also acting as the exclusive financial advisor to Income on the transaction with Allianz.

According to Income's corporate governance disclosures in its annual reports, Morgan Stanley had also been providing services to Income prior to their appointment as financial advisor for the deal with Allianz – at least since 2018. Income's corporate governance disclosures for 2018, 2019, 2020, 2021 and 2023 (Income did not publish an annual report for 2022) mentioned a business relationship with Morgan Stanley in its explanation as to why Mr Ong was not deemed independent. However, it did not state what that business relationship was¹⁴⁰ except in Income's 2023 Annual Report, where under Income's Corporate Governance disclosures, it was stated: "[Mr Ronald Ong] is a director of Morgan Stanley Investment Management Company with which the Company has a business relationship".¹⁴¹ In Professor Mak's view, the nature of the business relationship has a bearing on whether this aggravates the conflict. For example, if Morgan Stanley was providing advice on strategy, M&A, or the restructuring or corporatisation of Income, then the conflict will be even more serious. That said, Professor Mak

noted that under MAS Corporate Governance Guidelines for financial institutions such as Income Insurance, there is no need to state the nature of the business relationship since Mr Ong is not considered an independent director.

Professor Mak added that another ID, Ms Sim Hwee Hoon, who was elected to the Board on 26 May 2017,¹⁴² was Regional Chief Operating Officer of Private Wealth Management Asia in Morgan Stanley from 2010 to 2016. She was also the CEO of Morgan Stanley Asia International Limited, Singapore Branch, and a member of the Board of Directors of Morgan Stanley Asia International Limited.¹⁴³ Ms Sim was appointed as CEO of Morgan Stanley Asia International Limited, Singapore Branch, on 6 January 2015, at the same time that the current Income Chairman Mr Ong was appointed as a director of Morgan Stanley SE Asia.

Professor Mak elaborated on the conflicts involving Morgan Stanley in several LinkedIn posts, raising the following key points:

1. Mr Ong is Chairman of Income Insurance and CEO of Morgan Stanley SEA. He is also a director of NE, which owns Income. This creates a potential conflict of interest. MAS guidelines require directors to disclose and recuse themselves in such situations. If he was involved in appointing Morgan Stanley, it raises governance concerns.
2. When a chairman's firm is appointed as advisor, recusal from the appointment of the advisor is insufficient. Disclosing and recusing from a decision does not eliminate the conflict.
3. While eight years have passed since the other director left her role as a Morgan Stanley senior executive, the cumulative Morgan Stanley's influence on Income's Board may raise deeper concerns on independence, optics, and selection process of the financial advisor.
4. Morgan Stanley has had a business relationship with Income since 2019, the same year Mr Ong joined the Board as a non-independent non-executive director. Income's 2023 Corporate Governance disclosures confirm this ongoing relationship. This raised questions such as why hire a firm with a long-standing relationship if the goal is to get independent advice and whether Morgan Stanley's deep understanding of Income was the real reason it was appointed.
5. The actual appointment of the financial advisor is not the only source of conflict. If the advisor reports to a board chaired by its own executive, the Chairman may be reviewing the advice provided by his own firm. Professor Mak questioned whether the Chairman would also recuse from reviewing the advice.
6. If the Chairman was involved in preparing the request for proposal ("RFP") to bid for the financial advisor's job, there is also a conflict. Directors are not supposed to use information for their personal benefit so it is important that the Chairman does not use information he obtained in his capacity as Income's director in helping prepare the RFP. This would be difficult to do if he was involved in the preparation of the RFP.
7. There is also a conflict if he is involved in the Morgan Stanley team providing the advice or if the team advising Income reports to him. Professor Mak was concerned that the advice may not be objective and that there would be a lack of independent evaluation of the advice provided by his firm.
8. Professor Mak was also concerned that Morgan Stanley may have an unfair advantage in bidding for the job and in providing the advice, since the Chairman will have good knowledge about Income.
9. The appointment of Morgan Stanley as the financial advisor could potentially violate Morgan Stanley's Code of Conduct. Professor Mak wondered if Morgan Stanley's Conflict of Interest policy allowed advising a client chaired by its own employee. Morgan Stanley's Conflicts of Interest Policy states that it prioritises client interests and avoids conflicts. It states that conflicts can arise when the firm has multiple roles or financial incentives. This raises the question as to whether Morgan Stanley can act as advisor while one of its senior employees is the Chairman of the client.

10. Income should assure stakeholders that Morgan Stanley was not involved in the plan to sell a majority stake starting in 2019, and that the corporatisation in 2022 was not part of this plan. M&A advisory is a core part of Morgan Stanley's business, so Income should disclose Morgan Stanley's letter of engagement since 2019 to ensure transparency. If Morgan Stanley was brought in earlier to help develop a plan that includes corporatisation and the eventual sale to Allianz, this should have been disclosed to members at the time of the corporatisation.
11. Financial advisors are usually compensated based on a percentage of the sale price and have an incentive to push for a sale and at the highest price. Selling to the highest bidder, while good for shareholders, may not necessarily be the best for other stakeholders like Income's employees, customers and beneficiaries. As Mr Ong's firm stands to benefit financially from the sale occurring at the highest price, there is at least a perception that this may influence Mr Ong to support an outcome which provides the greatest benefit to his firm. Although Income disclosed that Mr Ong recused from the appointment of Morgan Stanley as the financial advisor, it did not say whether he recused from all other situations where there may be a conflict due to Morgan Stanley's involvement. If he did recuse from them, it then raises the question as to how would he would be able to discharge his role as Chairman effectively.
12. There was a lack of clear communication regarding the rationale and terms of the deal which put the company in crisis mode, leading to perceptions of spin.
13. Governance safeguards such as disclosure, recusal and independent directors may be ineffective when conflicts are serious.
14. Serious conflicts of interests may have long-term consequences that may not be evident initially. Deal terms may be unclear or unfavourable to Income. Financial advisors are incentivised to close deals, not necessarily act in the company's best interest.

On 27 July 2024, Income released further information on the pre-conditional voluntary cash general offer from Allianz. Amongst other matters, it defended the appointment of Morgan Stanley as financial advisor. It said that the appointment was done after a "considered selection process" and that they were appointed "based on their prior insurance transaction credentials, experience of their deal team and their deep understanding of Income Insurance".¹⁴⁴ It added that the Income Chairman "had recused himself from the decision to appoint Morgan Stanley" and that "the appointment was first reviewed by the audit committee before approval by the full [B]oard".¹⁴⁵

Mr Chee Hong Tat, Deputy Chairman of MAS, in addressing the concerns of the Members of Parliament on whether there was a conflict of interest regarding the appointment of Morgan Stanley as the financial advisor, stated that "MAS has "reviewed and was satisfied" with the relevant processes Income's [B]oard had in place... The chairman of Income's [B]oard had recused himself. The decision to enter into the deal was made by the [B]oard, comprising a majority of independent directors."¹⁴⁶

Professor Mak pointed out that the statement by Income said that the Chairman "had recused himself from the decision to appoint Morgan Stanley". However, MAS Guidelines for financial institutions which apply to Income state: "Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict".¹⁴⁷ It is not simply recusing from the decision to appoint Morgan Stanley but recusing from discussions on its appointment. He asked: "Did Mr Ong recuse from discussions relating to the appointment of Morgan Stanley?"

Professor Mak said that recusing from discussions, as opposed to just recusing from decisions, as stated in the MAS Guidelines, is important to mitigate the risk that a conflicted director will influence the decision even though he recused from the decision itself. This is important for all directors but even more so for a Chairman who may wield considerable influence in Board decisions.

Professor Mak reiterated that the potential conflicts are multi-faceted. The measures taken to address the conflicts relating to the appointment still leave many other potential conflicts unaddressed. He said: “Are there no local or global banks with prior insurance transaction credentials and experience of their deal team that are comparable to Morgan Stanley’s, such that Income has to appoint a firm with such conflicts? Further, it raises the question as to why Morgan Stanley is said to have a deep understanding of Income which presumably other possible candidates are not seen to have. Is it because of the fact that Morgan Stanley’s SEA Chairman/CEO is Income’s Chairman or the prior business relationship that Morgan Stanley has with Income?”

Professor Mak said that organisations should not under-estimate the risks that conflicts pose, in this case having the Board Chairman being on the sides of both provider and consumer of financial advice. In Professor Mak’s view, Morgan Stanley should have been immediately disqualified from consideration, especially since the ability to provide financial advice is not unique to the firm. Even if the fees to be charged by Morgan Stanley are lower than other firms that participated in the RFP, it is prudent to avoid the conflict in this case.

While Morgan Stanley is the financial advisor and not the independent financial advisor, Professor Mak said Income needed to ensure that the financial advisor will provide independent and objective advice on what is best for Income.

Conflict of interest from Morgan Stanley’s perspective

In Professor Mak’s LinkedIn posts, he also raised the question as to whether the appointment of Morgan Stanley as Income’s financial advisor was in compliance with Morgan Stanley’s Code of Conduct regarding conflicts of interest.

Morgan Stanley is an American multinational investment bank and financial services company, ranking #61 in the 2023 Fortune 500 list of the largest United States corporations by total revenue.¹⁴⁸

Figure 3 shows an extract from Morgan Stanley’s Code of Conduct.

Put Clients First

We place our clients’ interests first and avoid conflicts between their interests and ours. Therefore, as set forth in our Global Conflicts of Interest Policy (opens in a new tab), you must be sensitive to whether the actions you take could create an actual or potential conflict of interest, or even the appearance of a conflict.

Business conflicts can arise in a number of circumstances, including between Morgan Stanley and our clients or between two or more clients.

Examples of potential business conflicts include situations when:

- we offer products or account types to a client for which the Firm receives greater fees or compensation than for alternative products or account types
- we perform multiple roles with respect to a client and/or transaction (for example, advisor, underwriter or lender)

Figure 3: Extract from Morgan Stanley’s Code of Conduct

Morgan Stanley’s Code also provides guidance on doing the right thing, as shown in Figure 4

Do the Right Thing

We use good judgment, make ethical and informed decisions and take personal responsibility for our actions. The proper course of action is not always clear, but asking yourself questions about an action can help you decide how to proceed.

- Does my action comply with the letter and spirit of applicable laws, regulations and our policies?
- Is my action consistent with this Code and our core values?
- Does my action demonstrate a commitment to delivering first class business in a first-class way?
- Could my action be perceived by others as inappropriate or unethical?
- Could my action damage my or Morgan Stanley’s reputation, or embarrass me or Morgan Stanley?
- Who might benefit from or be harmed by my action?
- How would my action appear if it were the subject of media reports or other publicity?

When in doubt, stop and think. Use your best judgment to make the right decision. If you are unsure about the legality or appropriateness of a particular course of action, seek guidance from your supervisor, a business unit risk officer, the Legal and Compliance Division (LCD) or your HR.

Figure 4: Guidance in Morgan Stanley’s Code of Conduct

Professor Mak said it is difficult to see how the situation involving Mr Ong is consistent with Morgan Stanley’s Code of Conduct. Morgan Stanley’s Code makes clear that employees must be sensitive to not just actual conflicts, but potential conflicts and the appearance of conflicts.

Professor Mak said he would expect someone with Mr Ong’s experience to have cleared any possible conflicts with his firm and that perhaps Morgan Stanley is satisfied that there are sufficient internal procedures to mitigate the risk created by the conflict. However, he pointed out that neither Mr Ong nor the firm provided any clarifications.

Did Morgan Stanley comply with MAS regulations?

Professor Mak also asked if, in accepting the role as financial advisor for Income, Morgan Stanley had complied with MAS regulations, specifically paragraph 11 of MAS Notice No. SFA 04-N21 “Notice on Business Conduct Requirements for Corporate Advisers” dated 23 February 2023 issued pursuant to s101 of the Securities and Futures Act 2001 (SFA), as shown in Figure 5.

PART 1 – GENERAL REQUIREMENTS

Managing Conflicts of Interest

1. A corporate finance adviser, when giving advice on corporate finance to a customer, must —
 - a. identify and mitigate any potential or actual material conflict between its interests and the interests of the customer; and
 - b. disclose, to the extent appropriate, any such conflict to the customer.
2. For the purpose of paragraph 9, a reference to the corporate finance adviser’s interests includes any interest arising from an existing relationship between its customer and any of the following persons:
 - a. the corporate finance adviser;
 - b. its related corporation;
 - c. its controlling shareholder;
 - d. its relevant director, CFA representative or specified personnel;
 - e. a connected person of an individual mentioned in sub-paragraph (d).
3. Where a corporate finance adviser is not reasonably satisfied that it is able to mitigate any material conflict of interest, it must —
 - a. in the case of a new engagement, decline to accept the new engagement;
or
 - b. in the case of a transaction for which it is already engaged, cease to give advice on corporate finance.

Figure 5: Extracts from MAS Notice No. SFA 04-N21
“Notice on Business Conduct Requirements for Corporate Advisers”

Under section 101(3) of the SFA, “any person who contravenes any of the directions issued under subsection (1) or (2A) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine of \$5,000 for every day or part of a day during which the offence continues after conviction”.

Professor Mak asked: “What steps did Morgan Stanley take to mitigate the conflict as required under the MAS Notice?”

Continued tensions and discourse

Following the concerns raised by previous management and other observers, NE chairman Mr Lim Boon Heng spoke out on 25 July 2024 to give assurance that Income would continue to provide affordable insurance after the transaction and that Income products would be priced competitively.¹⁴⁹

On 29 July 2024, he, along with Income chief executive Mr Andrew Yeo and Income’s LID Ms Joy Tan, further clarified concerns in a Straits Times interview.¹⁵⁰ The key points made in that interview were:

1. Income is profitable with strong solvency and capital adequacy.
2. It faces pressure from larger foreign insurers and needs to compete to keep insurance affordable.
3. There were no major changes in pricing methodology or product offerings post-corporatisation.
4. Allianz sees strategic value in partnering with Income to scale quickly in Singapore.
5. NE is selling 51% of its stake in Income to Allianz to bring in a strong partner and ensure sustainability.
6. NE had injected \$630M and further capital injection would be imprudent.

7. Proceeds of potentially over \$1 billion will be reinvested in senior services in health and education.
8. The Government should not intervene in private enterprise decisions.
9. Income's core mission of serving lower-income groups remains, with an emphasis on profitability for sustainability.
10. Income remains committed to affordable insurance, but scale is needed to stay competitive.
11. The new Board will have one NE representatives, two Allianz reps, and four independent directors.
12. There would be no major changes to management or staff positions planned by Allianz.
13. Morgan Stanley was chosen after an independent selection process, with Mr Ong recusing himself.
14. The sale was necessary for long-term sustainability, with trust earned over time.

On 30 July 2024, NE published a corporate update providing further clarification to address some of the concerns raised.¹⁵¹ Some of the key points were:

1. NE supports Allianz's pre-conditional cash offer as a move to strengthen Income's long-term competitiveness.
2. Income faces intense competition in a mature insurance market, losing out on major contracts despite competitive bids.
3. Ongoing capital support and evolving expertise are essential owing to various challenges that a social enterprise model alone cannot fully meet.
4. The partnership brings global insurance, asset management, technology, distribution, and reinsurance capabilities.
5. Income remains committed to providing affordable and inclusive insurance, especially for the masses and lower-income groups.
6. NE has a strong track record of stewardship:
 - NE issued a Letter of Responsibility to MAS in 2012.
 - It converted shares to irredeemable to strengthen capital ratios.
 - It injected S\$630 million of capital from 2015 to 2020, including S\$100 million during COVID-19.
 - NE supported subordinated bond issuances and corporatisation.
7. Corporatisation was strategic, enabling Income to explore growth options like M&As, JVs, and IPOs and there was no intent to sell at that time.
8. Generating surpluses is essential for sustainability and NTUC co-ops have always done so to reinvest and fulfil obligations.
9. Allianz is a top global insurer with deep presence in Asia and regional HQ in Singapore which is aligned in values and long-term goals.
10. An Allianz-Income partnership is expected to boost competitiveness with NE staying on board to guide social outcomes.

Rebuttal to Mr Tan Suee Chieh's open letter

In response to Mr Tan Suee Chieh's criticisms in his open letter, NE and Income released a joint statement on 4 August 2024. Below are the key points from the statement:

1. NE was treated the same as other shareholders wherein all co-op shares were redeemable at par.
2. Permanent Shares were issued in 2018 for institutions only to strengthen capital but were not offered to individuals to maintain member flexibility.
3. Regarding the corporatisation:

- Shareholders received 1-for-1 equity shares.
 - The shares gained market value, have stronger voting rights, and better liquidity.
 - Corporatisation was approved by a strong majority and Mr Tan Suet Chieh did not attend the EGM.
4. Regarding the Allianz acquisition:
- Allianz was chosen after evaluating multiple options.
 - It is committed to maintaining Income's social mission, union links, and staff benefits.
 - Minority shareholders may receive 3.3x to 28x returns when selling to Allianz.

Additionally, in a Facebook post on 4 August 2024, Mr Edwin Tong, Minister of the Ministry of Culture, Community and Youth (MCCY) said: “As business enterprises with social missions, cooperatives must first be financially sustainable. Social enterprises have to achieve this, not as an end in itself, but in order to better serve their members and social causes in a fast-changing economic environment.”¹⁵² He affirmed that Income had provided the necessary disclosures to members and given ample opportunities to members to seek clarification on the corporatisation plans, and that there were overwhelming votes in favour of corporatisation.¹⁵³ Minister Tong added that the Government values NTUC's social mission and that they “look forward to NTUC (and its enterprises) continuing with its social mission to uplift the lives and livelihoods of workers in Singapore.”¹⁵⁴

On 5 August 2024, NTUC's secretary-general Mr Ng Chee Meng and president Ms K Thanalethimi said in a joint statement that the central committee was briefed on the deal, and highlighted why Income needed to become more competitive as NTUC could not continue to finance Income on its own.¹⁵⁵ On the concerns raised, Mr Ng said he fully appreciated and understood them.¹⁵⁶ Nevertheless, he mentioned that “in this fiercely competitive environment, it became plain that Income can only continue to fulfil its social mission if it has access to additional resources and the ability to scale.”¹⁵⁷

Critics fire back

Commentators were not swayed by the responses. Professor Koh posted on Facebook that he was still “*not convinced*” by the reasons given for the deal.¹⁵⁸ In a LinkedIn post, Professor Mak mentioned the acquisition still seemed like a “*mission drift*” and noted there was no guarantee of Income's social purpose.

Mr Tan Suet Chieh, in a second letter to MAS on 5 August 2024, repeated his call for the regulator to scrutinise the proposed sale of Income to Allianz.¹⁵⁹ The key points in the second letter were:

1. MAS should carefully examine the proposed sale of Income to Allianz, particularly in light of the concerns raised in his previous open letter.
2. The Joint Statement from NE and Income dated 4 August 2024 dismissed his initial objections as “not well founded” and “unfair.” Mr Tan strongly disagreed with this characterisation, asserting that it is the Joint Statement that has misunderstood or misrepresented key issues.
3. One of the central points in his previous open letter was the commitment that NE made when it received 63 million shares in Income at par value. Mr Tan insisted that NE had committed to not redeeming those shares indefinitely, which was a crucial element in Income granting them those shares at a lower-than-market value. This commitment, according to Mr Tan, was made clear during multiple Board discussions when he was the Group CEO of NE.
4. The NTUC Joint Statement contends that the commitment was not for an indefinite period. Mr Tan rejected this, stating that the undertaking given by NE was indeed for an indefinite period. He argued that the shares were later converted into “irredeemable shares” to solidify this commitment.

5. Mr Tan invited MAS to request the relevant Board minutes and papers from both NE and Income to validate his claims regarding the commitment. He believed this will provide transparency and allow the public and regulators to form their own judgment about the matter.
6. A significant concern raised by Mr Tan was the potential for Allianz, a for-profit corporation, to prioritise its profit-making objectives over Income's social mission. He pointed out that the NTUC Joint Statement failed to show that Allianz has made a legally binding commitment to prioritise NTUC's social objectives, which is crucial for the future of Income and its role in serving the public good.
7. If the sale to Allianz proceeds, NE will become a minority shareholder in Income and will likely lose its ability to ensure that Allianz aligns its operations with NTUC's social mission. This, according to Mr. Tan, undermines the integrity of the original social mission of NTUC Income.
8. Mr Tan ended the letter with a call for the MAS to act in the public interest, emphasising that the proposed sale could have far-reaching consequences for the future of Income and the broader social mission it represents in Singapore.

Regarding the joint statements by Mr Ng Chee Meng and Ms K Thanalethimi of NTUC, Mr Tan posted a response on LinkedIn. The key points were:

1. NTUC said it would retain a substantial stake in Income and Allianz has pledged to honour policies and social commitments. These pledges were not enough and simply continuing low-margin schemes like NTUC Gift and Luv set the bar too low.
2. True social enterprises must maintain cooperative values, not just fulfil minimum obligations.
3. There were no long-term guarantees that Allianz or NE would not divest. It was unclear who would enforce social commitments.
4. Income's cooperative spirit and legacy must be preserved beyond financial promises.
5. Over 95% of nearly 500 Facebook comments on Mr Ng Chee Meng's post opposed the sale so there was strong grassroots pushback.

Mr Tan continued his rebuttals on LinkedIn as well, making the following key points:

1. Other similar-sized insurance cooperatives globally are thriving without being sold or going international.
2. Income had revenue of US\$3.1B (2022) and two million customers, showing it is substantial and comparable.
3. He cited 6 global examples of successful insurance companies which are co-operatives:
 - Folksam (Sweden) – US\$5B revenue, trade union roots, top in sustainability.
 - Co-operators (Canada) – US\$4.3B revenue, focused on cooperative identity and resilience.
 - MAIF (France) – US\$4.4B revenue, mission-driven, leader in customer experience.
 - Wawanesa (Canada) – US\$3.4B revenue, community-focused, top employer.
 - NFU Mutual (UK) – US\$2.7B revenue, rural insurer, pays member bonuses.
 - P&V (Belgium) – US\$2B revenue, union-founded, strong on inclusion and impact.
4. These cooperatives prove that strong, socially impactful insurance models can succeed without being acquired by listed corporations.

Parliament's questions and continuing objections

On 6 August 2024, Singapore's lawmakers posed questions in Parliament on the affordability and accessibility of insurance for the mass market.¹⁶⁰ Mr Alvin Tan, Minister of State for MCCY, said that NTUC has a track record of caring for workers and fulfilling its social mission "time and time and time and time again".¹⁶¹ Deputy

Chairman of MAS, Mr Chee Hong Tat, also said that the central bank would hold Income and Allianz to account for their commitments to honour existing policies.¹⁶²

Meanwhile, Mr Tan continued questioning the deal in multiple posts on LinkedIn.¹⁶³ In an unpublished letter to the Straits Times Forum, Mr Tan reiterated the following points:

1. NE should honour its S\$630 million permanent investment commitment made from 2015 to 2020 to protect Income's social mission. These investments were made with the assurance NE would maintain majority ownership. The permanence of these investments was used to defend against dilution concerns raised by minority shareholders. NE must honour this original commitment.
2. The Allianz deal offers a long-awaited exit for minority shareholders. A Singaporean strategic institution should step in to buy NE's shares at S\$40.38. NE can also sell S\$127 million in pre-2015 shares at market value.
3. Temasek is well-suited as a long-term, purpose-driven investor aligned with Singapore's interests. Temasek can support Income's social mission and future-proof its capabilities.
4. Singapore does not need another listed insurer. Income should remain a national social enterprise aligned with Singapore's interests.
 - Allianz's for-profit focus does not align with Income's cooperative mission. A solution may be found if both parties agree to rescind the deal.
 - A belief that Singapore lacks talent to grow Income is unfounded. Income does not need to go global to succeed. Trusted cooperative insurers abroad (e.g., Folksam, MAIF, Wawanesa) prove social enterprises can thrive locally.

On 26 August 2024, Mr Tan wrote again on why justifications for the proposed sale to Allianz from NE and Income are weak. Below were his key points:

1. A sale to Allianz is not in Singapore's best interest.
2. NE and Income failed to honour past commitments to keep Income mission-driven and cooperatively owned.
3. Justifications for the sale (need to grow via a listed company) are weak and unconvincing.
4. The deal raises serious corporate governance concerns and should be documented for future review.
5. Regulators and national leaders are encouraged to reconsider the decision.
6. Public interest and trust must come before profit or expansion.
7. The issue was not a done deal and there was still time to act.

Meanwhile, MCCY inquired further into the proposed deal.¹⁶⁴ MAS provided MCCY with further details on the transaction, among which was Income's capital optimisation or reduction plan, as the regulator felt it could be relevant to the ministry's views on the deal. MCCY had not seen the information on the capital optimisation plan earlier.¹⁶⁵ Under the capital reduction plan, Allianz had planned to return S\$1.85 billion to shareholders within three years after the deal completion.¹⁶⁶

Calling off the deal

On 14 October 2024, the Singapore government intervened to stop the proposed deal, citing public interest reasons.¹⁶⁷ Still, the government said it remained open to new arrangements if the concerns highlighted were fully addressed.¹⁶⁸

The reason was that MCCY was not confident that the transaction would not affect Income, or the co-op movement as a whole to carry out its social mission.¹⁶⁹ Mr Tong said, "we find it difficult to reconcile the proposed

substantial capital reduction, soon after the transaction is completed, with Income's representations to MCCY during the corporatisation exercise that it was aiming to build up capital resources and enhance its financial strength¹⁷⁰

Mr Tong further mentioned that the proposed capital reduction in the Income-Allianz deal ran counter to the premise for why the ministerial exemption was given. "If not for the ministerial exemption in 2023, Income co-op's accumulated surplus of some S\$2 billion would have gone to the CSLA after being wound up, to benefit the co-op movement in Singapore as a whole...MCCY has not seen any arrangement within the present transaction to account for the estimated S\$2 billion surplus that was carried over to the new corporate entity, due to the exemption".¹⁷¹

He noted an absence of clarity on how the sum would be used to advance Income's social mission since there were no clear binding provisions or structural protections in the deal to ensure the discharging of Income's social mission.¹⁷²

Mr Tong assured that Allianz's standing and suitability were not an issue.¹⁷³

In respecting the government's position, Income and Allianz said they would work with the relevant stakeholders to decide on the next course of action.¹⁷⁴

New regulation passed in Parliament

A Bill to amend the Insurance Act was tabled on an urgent basis owing to the proposed transaction being under active consideration by Income's shareholders. The first reading of the bill was on 14 October 2024, the same day the government decided to block the transaction.¹⁷⁵ Members of Parliament debated the issue for nearly four hours and voted to pass the Bill.¹⁷⁶

The Insurance Act was thus amended, allowing the MAS to consider the views of the MCCY where an application for regulatory approval involves an insurer that is either a cooperative or linked to one.¹⁷⁷ With the amendment, the Minister-in-Charge of MAS could withhold approval of the application in the public's interest.¹⁷⁸

The amendment was deemed critical, since Income was now a corporate entity, and no longer subject to regulations that govern cooperatives.¹⁷⁹ Prior to the change, the approval of the planned transaction rested with MAS, which only assesses an application on prudential grounds, such as taking into account the financial strength and track record of the applicant.¹⁸⁰

Allianz withdraws offer

On 14 November 2024, Allianz updated that discussions on amendments to the proposed deal were still ongoing and they would "consider revisions to the proposed transaction structure".¹⁸¹ Income and NE likewise maintained they would work closely with relevant stakeholders to decide on the next course of action.¹⁸²

However, on 16 December 2024, Allianz withdrew its offer, citing that the decision underscored its financial discipline.¹⁸³ It said it regrets having to make such a decision, but it would undoubtedly carry on supporting the Singapore insurance market's continued growth and success.¹⁸⁴

In separate statements, Income and NE acknowledged the withdrawal of Allianz's offer.¹⁸⁵ Income, on its part, would continue to explore options to allow the 16,000 or so minority shareholders to exit.¹⁸⁶ In the meantime, the Board said that these shareholders could continue to buy and sell their shares on a willing buyer and willing seller basis.¹⁸⁷ It added that business was as usual for Income, and no policyholder would be impacted by the developments.¹⁸⁸ Meanwhile, NE said it would take time to study how to address the Government's concerns and, more importantly, to consider all strategic options that could further strengthen Income's financial resilience on a sustained basis.¹⁸⁹

Unanswered questions

Despite the deal being called off, questions remain.

Lack of communication among regulators?

MCCY had not seen information on Income's capital reduction plan though this data was revealed to MAS. Minister for Law Mr K Shanmugam said on 6 November 2024 that "the government had no prior knowledge of a proposed deal between Income Insurance and German insurer Allianz" and he cited this in response to perceived misconceptions that the government had at first "*blessed*" the deal but reversed its decision following public feedback.¹⁹⁰

In clarifying the alleged lack of coordination among government agencies, Mr Shanmugam explained that "MAS cannot go around disclosing the terms willy-nilly to other parts of the government. The terms are confidential and market sensitive" as regulatory bodies like MAS are "required to maintain the strictest confidentiality, though there can be situations where the information needs to be disclosed to other agencies".¹⁹¹

Mr Shanmugam also dismissed the position that MAS should have broadcasted the details to all government agencies, calling it "extreme and untenable".¹⁹² "It would result in breaches of MAS's duty of confidentiality, undermine trust in government, and damage Singapore's reputation, as an international commercial hub," he said.¹⁹³

Retrospective amendment of legislation

Some argued that passing legislation of a Bill to amend the Insurance Act which has or is seen to have a retrospective effect must not be taken lightly and has the potential to hurt Singapore's reputation for certainty, stability and predictability.¹⁹⁴

Deputy Chairman of MAS, Mr Chee, said the bill does not affect any completed transaction. "There is no formal application yet by Allianz to obtain effective control and become a substantial shareholder of Income," he added.¹⁹⁵

Should there be greater transparency and accountability?

On LinkedIn, Professor Mak raised the matter of communication with stakeholders.¹⁹⁶

Given Income's history and its social mission, a sale to a foreign company may raise concerns among customers and beneficiaries about the new owner's intentions. Did Income and NE not fully appreciate the deep emotion surrounding the transaction? With so many people affected and given Income's history, could there have been a more comprehensive plan to better communicate the plan to stakeholders?

On 16 October 2024, NTUC deputy secretary-general Mr Desmond Tan told Parliament that NTUC's central committee was unaware of the capital extraction plan and learnt of it on 14 October 2024. He added that since NE is a private company and Allianz is a listed company, deals with such commercial sensitivities cannot be disclosed to third parties, except to regulatory bodies, as doing so would be illegal. "In this case, both NE and Allianz respected and followed the law," he said.¹⁹⁷

Income's Board on 16 December 2024 said details of the exercise would have been disclosed publicly if the offer was formally made. "The preliminary business plan was not subject to approval from the current [B]oard of Income Insurance," it said, adding that under the Singapore Code on Takeovers and Mergers, all shareholders would have been informed about the details of the offer, including the possibility of a proposed capital reduction.¹⁹⁸

The Board said that the proposed deal was made in good faith "to safeguard the interests of its stakeholders, including policyholders and shareholders" as the backing of 2 institutional shareholders of Allianz and NE

would have enabled Income to call on additional capital support in the future in the event of any financial crisis.¹⁹⁹ Similarly, NE said the search for a strategic partner for Income was conducted to bolster the insurer's financial resilience, especially in times of crisis.

Moving forward

After the halting of the transaction by the government and the withdrawal of the offer from Allianz, Income is back to the drawing board.

In a Straits Times article, Professor Koh and Mr Tan Suee Chieh provided suggestions on how to move forward. The following are some of the key points:

1. Income should recommit to its founding purpose as a social enterprise focused on serving the needs of Singaporeans, especially workers and vulnerable groups.
2. The S\$2 billion retained during corporatisation must be safeguarded and used to build long-term social and economic value, not returned to shareholders.
3. Any further talks with Allianz should be definitively ended to prevent future attempts to privatise or commercialise Income.
4. NE or another mission-aligned body could buy out minority shareholders, especially the 30% owned by individuals, to consolidate control and align ownership with Income's social mission.
5. Income should refocus efforts on domestic issues such as ageing, healthcare (including mental health), income security, and support for low-income workers, rather than expanding abroad.
6. Income can draw inspiration from successful international social enterprises that have adapted to modern challenges while preserving their mission.
7. Governance standards should be tightened to prevent perceived conflicts, such as appointing financial advisers with ties to board members.

Epilogue

During the 2025 General Elections in Singapore, the Allianz-Income saga became a flashpoint. The ruling PAP party was criticised by the opposition for its response to the deal. The fact that the NTUC secretary-general, Mr Ng Chee Meng, who was standing for election as a candidate for the ruling PAP in the Jalan Kayu constituency, had pushed for the deal before it was aborted, also came under intense scrutiny.²⁰⁰

Mr Tan Suee Chieh called for Mr Ng "to account for his role and decisions" in an open letter to Jalan Kayu residents posted on social media.²⁰¹ He also wrote an open letter on Facebook to the Deputy Prime Minister and Chairman of MAS, Mr Gan Kim Yong.²⁰² He mentioned that he had written three letters to Mr Gan between August and September 2024 raising serious concerns about the proposed sale of Income to Allianz but received no responses. He called on Mr Gan to "explain openly to account honestly, and to help rebuild trust in the processes that safeguard Singapore's cooperative and public institutions."²⁰³ He emphasised that he does not assume that Mr Gan "lacks perspective or good intentions", and invited him and all Singaporeans "to engage with it thoughtfully and seriously."²⁰⁴

In a LinkedIn post after the AGM, Professor Mak said: "I see media reports of the Income Insurance AGM but the media were not present. It's not inaccurate to say most of the shareholders were looking to cash out their shares and lamented the Allianz deal falling through. Let's admit it. Income is no longer a social enterprise. Its shareholders mostly seem to see it as just like any other for-profit company. I prepared a list of questions for the AGM but only got to ask a few... But perhaps the question I should have asked the Board is 'What is the purpose of Income Insurance?'

I think it has drifted so far off course from its original purpose."²⁰⁵

Discussion questions

1. Compare and contrast the corporate governance requirements and practices for a co-operative versus a company limited by shares in Singapore.
2. How can a social enterprise balance social and commercial objectives? Do you think Income still has an important social role in Singapore or should it be like other insurance companies such as Great Eastern Holdings?
3. For an insurance company, is there a difference in director duties compared to other for-profit entities based on regulatory requirements and good governance?
4. Comment on the structure and composition of Income's Board of Directors. Did the structure of the Board adequately reflect the shift from a social enterprise to a corporate entity? Are there issues that should have raised concerns with stakeholders? Explain.
5. When it was a co-operative, directors of Income were elected to represent certain Members. Explain the criteria for determining independence of directors for an unlisted insurance company like Income Insurance in Singapore. Should the Income Insurance directors be considered independent when it was a co-operative? Should they be considered independent now? Explain.
6. At Income's AGM in June 2025, it was announced that Ms Joy Tan, the Lead Independent Director, will take over as Chairman after Mr Ronald Ong decided to retire from the Board. Professor Mak pointed out that Ms Tan has already served eight years on the Board and can no longer be considered independent after another year. He asked if Ms Tan will step down or be re-designated to non-independent after reaching nine years. What do you think Income should do? What is a reasonable term for a Chairman? How should a company plan for the succession of a Chairman?
7. Critically evaluate the financial reporting and disclosures by Income leading up to its corporatisation and its transparency to stakeholders.
8. Do you think minority shareholders at Income were disadvantaged through the issue of Permanent Shares to Institutional Members which were then converted to ordinary shares after corporatisation? Explain.
9. Critically analyse the key factors that contributed to the breakdown of the Income-Allianz deal.
10. Critically assess the governance and transparency surrounding the Income-Allianz deal. Are there issues that affect the Board's effectiveness and its ability to discharge its duties?
11. Do you think the potential conflict of interest issues raised were adequately addressed by Income, the government and regulators? How might these issues affect the interests of Income shareholders and other stakeholders?
12. To what extent does the absence of legal violations or regulatory penalties indicate that corporate governance standards have been adequately met? Using the Allianz–Income case study as an example, discuss how good governance goes beyond mere legal compliance.
13. Based on the lessons from the Income-Allianz deal, what reforms, if any, would you propose to improve safeguards surrounding the sale of social enterprises like Income? What role should ministries and regulators play in evaluating deals that are financially sound but socially contentious?

Appendix 1: Roles and Background of Income Directors²⁰⁶

Ronald Ong	Adeline Sum	Joy Tan
<p>The Chairman is Ronald Ong, who is a non-executive non-independent director (NINED) by virtue of the fact that he is also a NINED on the NE Board. He is also the Chairman of the Board Executive Committee.</p> <p>He was co-opted to the Board of Income on 23 August 2018, formally elected as a NINED on 24 May 2019 and appointed to the Board of Income on 2 August 2022.</p> <p>Mr Ong is the Chairman and CEO, South-East Asia, at Morgan Stanley. He is also a Board Member of NTUC</p> <p>FairPrice Co-operative Limited and NTUC Enterprise Co-operative Limited as well as a Member of the Listings Advisory Committee, Singapore Stock Exchange.</p>	<p>Adeline Sum, the CEO of NE, is also a NINED and Deputy Chairman. She is also a member of the Nominating, Human Capital and Remuneration Committee and Board Executive Committee.</p> <p>She was appointed as a NINED to the Board of Income on 3 November 2023.</p> <p>Since 1993, Ms Sum has served within the NTUC network of organisations. Up to 2001, she worked on key employment and employability issues to represent workers, including serving on the National Wages Council. She has gone on to helm several NTUC social enterprises.</p>	<p>Joy Tan is the LID. She is a member of the Audit Committee, Nominating, Human Capital and Remuneration Committee, and Board Executive Committee.</p> <p>She was elected to the Board of Income as an independent non-executive director on 26 May 2017 and was appointed to the Board of Income on 1 August 2022.</p> <p>Ms Tan is a partner at Wong Partnership, one of the largest law firms in Singapore, where she is Co-Head of the Commercial & Corporate Disputes Practice, the Corporate Governance & Compliance Practice and the Financial Services Regulatory Practice. She also leads the Corporate & Regulatory Investigations Practice. She is a Fellow of the Chartered Institute of Arbitrators, and sits on the panels of various professional tribunals, including the panel of arbitrators of the Singapore International Arbitration Centre (SIAC), the Law Society Disciplinary Tribunal appointed by the Honourable Chief Justice under the Legal Profession Act, and the Complaints and Disciplinary Tribunal of the Accounting & Corporate Regulatory Authority (ACRA). She also sits on the Executive Board of the Singapore Chapter of the Association of Certified Anti-Money Laundering Specialists (ACAMS).</p> <p>Joy is also a director and member of the Audit Committee and Risk Committee of Singapore Health Services Pte Ltd, as well as an independent director of PEC Limited. She also sits as Chair of the Appeals Board Committee of Council for Estate Agencies (CEA).</p> <p>In the not-for-profit sector, Joy is the Chair of the Board of the Singapore Repertory Theatre and is a director of the Singapore Chinese Cultural Centre.</p>

Sim Hwee Hoon	Neo Chin	Vincent Lien
<p>Sim Hwee Hoon is an independent non-executive director, chairperson of the Nominating, Human Capital and Remuneration Committee, and member of the Sustainability Committee and Board Executive Committee.</p> <p>Hwee Hoon was elected to the Board of Income as an independent non-executive director on 26 May 2017 and appointed to the Board of Income on 1 August 2022.</p> <p>Ms Sim was the Regional Chief Operating Officer of Private Wealth Management Asia in Morgan Stanley from 2010 to 2016. She was also the CEO of Morgan Stanley Asia International Limited, Singapore Branch, and sat on the Board of Directors of Morgan Stanley Asia International Limited.</p> <p>Before Morgan Stanley, Ms Sim spent 12 years with JPMorgan Private Bank Asia. Her appointments included being the Asia Regional Chief Financial Officer from 2006 to 2010 and Asia Head of Risk Management from 1998 to 2006.</p> <p>She holds directorships at Singapore Labour Foundation and Stashaway and is also appointed to the Central Co-operative Fund Committee by the Ministry of Culture, Community and Youth.</p> <p>In the social arena, Hwee Hoon serves as the President of the Board of YWCA of Singapore.</p>	<p>Neo Chin is an independent non-executive director and a member of the Sustainability Committee and Board Executive Committee.</p> <p>She was co-opted to the Board of Income on 15 April 2019, formally elected as an independent non-executive director on 24 May 2019 and appointed to the Board of Income on 1 August 2022.</p> <p>Ms Neo has over 30 years of investment experience in the global asset management sector. She is currently the Chief Investment Officer at the Singapore University of Technology and Design. Prior to the Singapore University of Technology and Design, she spent more than 20 years in Government of Singapore Investment Corporation (GIC) and held various senior direct investment and portfolio management roles. Her investment experience spans across endowment asset allocation, global fixed income, global treasury management, alternative investments, and fund-of-funds asset management.</p>	<p>Vincent Lien is an independent non-executive director and a member of the Audit Committee.</p> <p>Mr Lien was co-opted to the Board of Income on 3 October 2019, formally elected as an independent non-executive director on 26 June 2020 and appointed to the Board of Income on 13 October 2021.</p> <p>He is Managing Director of Lien Properties Private Limited and a director of Lien Ying Chow Private Limited, and Wah Hin & Company. Vincent is a Council Member of the Lien Ying Chow Legacy Fellowship and is also Income's nominee director on the Boards of FFMC Holdings Pte Ltd and Fullerton Fund Management Company Ltd.</p>
Robert Charles	Mak Keat Meng	Chen Peng
<p>Robert Charles is an independent non-executive director, the Chairman of the Risk Management Committee and member of the Digital & Technology Committee and Board Executive Committee.</p> <p>He was elected as an independent non-executive director of NTUC Income Insurance Co-operative Limited on 26 June 2020 and appointed to the Board of Income Insurance on 1 August 2022.</p>	<p>Mak Keat Meng is an independent non-executive director, the Chairman of the Audit Committee and member of the Risk Management Committee.</p> <p>He was elected as an independent non-executive director of NTUC Income Insurance Co-operative Limited on 26 June 2020 and appointed to the Board of Income on 1 August 2022.</p>	<p>Chen Peng is an independent non-executive director and member of the Risk Management Committee and Digital & Technology Committee.</p> <p>He was co-opted to the Board of NTUC Income Insurance Co-Operative Limited on 21 September 2020, was formally elected as an independent non-executive director on 28 May 2021 and appointed to the Board of Income on 1 August 2022.</p> <p>Dr Chen was the Chief Executive Officer, Asia ex-Japan, of Dimensional Fund Advisors (DFA) from July 2012 to November 2019. He was responsible for all aspects of DFA's Asia business, overseeing business strategy and development, client servicing and portfolio management. Prior to joining DFA,</p>

Robert Charles	Mak Keat Meng	Chen Peng
<p>Mr Charles is currently Head of Actuarial at Coherent, a global technology company originally founded in Hong Kong, that provides digital solutions to financial services companies. He is an actuary with a background in health, retirement, and investment. Mr Charles spent most of his career in consulting. He served as the Asia Pacific CEO of Towers Watson, a leading global risk and human capital management firm. He then built the Hong Kong business of CXA Group, a Singapore startup that provides insurance technology to employers and financial institutions.</p>	<p>Mr Mak has over 37 years of experience in auditing and advisory with Ernst & Young LLP. During this period, he has held various leadership positions such as Head of Audit for Singapore & ASEAN, Quality Enablement Leader, and Head of Japanese Business Services. Mr Mak was previously the Chairman of the Insurance Committee of Institute of Singapore Chartered Accountants (ISCA). He is also an independent director of Mapletree Pan Asia Commercial Trust.</p>	<p>He was with Morningstar where he held various roles over 15 years, including President of Morningstar Investment Management Division, Chief Investment Officer, and Head of Research and Consulting. His clients included insurance companies and pension funds (including manager selection for the Central Provident Fund).</p> <p>He is a member of the Advisory Council of the Centre for Asset Management Research and Investments in the National University of Singapore. Peng is also Income's nominee director on the Boards of FFMC Holdings Pte Ltd and Fullerton Fund Management Company Ltd.</p>
Richard Koh	Craig Ellis	Chew Sutat
<p>Richard Koh is an independent non-executive director, Chairman of the Digital & Technology Committee and member of the Risk Management Committee.</p> <p>He was elected as an independent non-executive director of NTUC Income Insurance Co-operative Limited on 28 May 2021 and appointed to the Board of Income on 1 August 2022.</p> <p>Mr Koh is the Chief Technology Officer of Microsoft ASEAN, Global Partner Solutions. He is also serving on the Board of Directors of Singapore's Ministry of Home Affairs' Home Team Science & Technology Agency, Ministry of Culture, and Community & Youth's National Heritage Board. Furthermore, he serves on Sentosa Development Corporation's Digital Transformation Advisory Panel.</p>	<p>Craig Ellis is an independent non-executive director and member of the Audit Committee and the Nominating, Human Capital and Remuneration Committee.</p> <p>He was appointed to the Board of Income as an independent non-executive director on 12 October 2022.</p> <p>A Chartered Accountant, Mr Ellis has over 40 years of experience in the financial services industry, mainly in insurance covering general, life, and health, but also in banking. He brings substantial and broad international experience having worked in Australia, Europe, and Asia. He retired in December 2021 as the Chief Executive Officer of MSIG Insurance Singapore. From March 2020 to December 2021, Mr Ellis served as President of the General Insurance Association (GIA) of Singapore.</p> <p>Prior to joining MSIG, Mr Ellis was the Chief Executive Officer of Charles Monat Associates Pte Ltd in Singapore. He commenced his career with KPMG before serving in a succession of increasingly senior positions with Bank of America, Allianz and Old Mutual International.</p> <p>He is an independent non-executive Board member for the RACT Insurance Pty Ltd.</p>	<p>Chew Sutat is an independent non-executive director, Chairman of the Sustainability Committee and member of the Board Executive Committee.</p> <p>He was appointed to the Board of Income as an independent non-executive director on 21 October 2022.</p> <p>Mr Chew retired from Singapore Exchange (SGX) in July 2022. He was senior managing director and a member of SGX's executive management team for 14 years. On his watch the exchange transformed from an Asian Gateway to a global multi asset exchange. As Head of Global Sales and Origination, he led SGX's equity and debt capital market teams in developing private-to-public capital raising solutions for companies.</p> <p>Prior to SGX, Mr Chew had senior roles at Standard Chartered Bank, OCBC Securities and DBS Bank, where he held varying portfolios in strategic planning and business development for institutional banking and private clients. He founded Shan De Advisors in September 2021 and serves as a non-executive Board member of ADDX, a Fintech startup backed by Temasek and SGX, and NTUitive, the Innovation and Enterprise Company of Nanyang Technological University.</p> <p>He is also LID of Singapore-listed YZJ Financial Holdings and Fellow of Singapore Institute of Directors and the Institute of Banking and Finance Singapore.</p> <p>In the social arena, he serves on the Board of National Council of Social Service and Chairman of Community Chest. He is also Patron of Kaki Bukit Citizens' Consultative Committee.</p>

Appendix 2: Changes in Income Board²⁰⁷

S/N	Name of Director	Role	Year Joined	Status
1.	Ronald Ong	<ul style="list-style-type: none"> • Director representing Founder Member • Chairman of Board 	2019	Still active
2.	Kee Teck Koon	<ul style="list-style-type: none"> • Director representing Founder Member • Deputy Chairman of Board • Member of Investment, Nominating and Human Resource & Remuneration Committees 	2014	2023
3.	Sung Cheng Chih	<ul style="list-style-type: none"> • Director representing Founder Member • LID of Board • Chairman of Risk Management, Nominating, and Human Resource & Remuneration Committees 	2017	2020
4.	Richard Shermon	<ul style="list-style-type: none"> • Director representing Founder Member • Member of Audit and Risk Management Committees 	2017	2020
5.	Choong Tuck Oon	<ul style="list-style-type: none"> • Director representing Ordinary Members • Member of Risk Management and Investment Committees 	2018	2021
6.	Lau Wing Tat	<ul style="list-style-type: none"> • Director representing Institutional Members • Chairman of Investment Committee • Member of Nominating and Human Resource & Remuneration Committees 	2016	2019
7.	Pang Wai Yin	<ul style="list-style-type: none"> • Director representing Institutional Members • Chairperson of Audit Committee • Member of Risk Management Committee 	2017	2023
8.	Joy Tan	<ul style="list-style-type: none"> • Director representing Founder Member • Member of Risk Management, Nominating and Human Resource & Remuneration Committees 	2017	Still active
9.	Sim Hwee Hoon	<ul style="list-style-type: none"> • Director representing Ordinary Members • Member of Audit, Nominating and Human Resource & Remuneration Committees 	2017	Still active
10.	Sim Hwee Cher	<ul style="list-style-type: none"> • Director representing Institutional Members • Member of Audit and Risk Management Committees 	2018	2020
11.	Neo Chin	<ul style="list-style-type: none"> • Director representing Founder Member • Member of Investment Committee 	2019	Still active
12.	Vincent Lien	<ul style="list-style-type: none"> • Director representing Founder Member • Member of Investment Committee 	2019	Still active
13.	Robert Charles	<ul style="list-style-type: none"> • Director representing Founder Member • Member of Digital & Technology Committee • Member of Risk Management Committee 	2020	Still active
14.	Mak Keat Meng	<ul style="list-style-type: none"> • Director representing Institutional Members • Chairman of Audit Committee • Member of Risk Management Committee 	2020	Still active
15.	Chen Peng	<ul style="list-style-type: none"> • Director representing Institutional Members • Member of Investment Committee • Member of Risk Management Committee 	2020	Still active

S/N	Name of Director	Role	Year Joined	Status
16.	Seah Kian Peng	<ul style="list-style-type: none"> • Director representing Founder Member 	2020	2023
17.	Richard Koh	<ul style="list-style-type: none"> • Director representing Ordinary Members • Member of Digital & Technology Committee • Member of Risk Management Committee 	2021	Still active
18.	Adeline Sum	<ul style="list-style-type: none"> • Non-independent non-executive director of Board • Deputy Chairman of Board • Member of Nominating, Human Capital and Remuneration Committee • Member of Board Executive Committee 	2023	Still active
19.	Craig Ellis	<ul style="list-style-type: none"> • Independent non-executive director of Board • Member of Audit Committee • Member of Nominating, Human Capital and Remuneration Committee 	2022	Still active
20.	Chew Sutat	<ul style="list-style-type: none"> • Independent non-executive director of Board • Chairman of Sustainability Committee • Member of Board Executive Committee 	2022	Still active

Sources: Income Insurance Annual Reports.

Endnotes

- 1 Income. About Income. Retrieved from <https://www.income.com.sg/about-us>
- 2 *Ibid.*
- 3 Reunion: An Exhibition by NTUC. The 1969 Story. Retrieved from <https://reunion.ntuc.org.sg/features/The-1969-Story>
- 4 Tong, Edwin. (2024, March 14). Pre- conditional voluntary general offer by Allianz for Income Insurance. Retrieved from <https://www.mccy.gov.sg/about-us/news-and-resources/speeches/2024/Oct/Pre-conditional-voluntary-general-offer-by-Allianz-for-Income-Insurance>
- 5 *Ibid.*
- 6 *Ibid.*
- 7 *Ibid.*
- 8 *Ibid.*
- 9 Income. (2021, December 31). NTUS Income Annual Report 2021, p.141. Retrieved from <https://www.income.com.sg/annual-report/2021/142/index.html>
- 10 *Ibid.*
- 11 Income. (2015, December 31). Consolidated Financial Statements, 2015, pp. 109, 118. Retrieved from <https://www.income.com.sg/media/income/About-Us/Corporate-Information/Reports-Publications/2015-Financial-Statements.pdf>
- 12 *Ibid.*, pp. 34,115.
- 13 Income. (2017, December 31). Annual Report 2017, pp. 115, 126. Retrieved from <https://www.income.com.sg/annual-report/2017/128/index.html>
- 14 Income. (2015, December 31). Consolidated Financial Statements, 2015, pp. 26, 105. Retrieved from <https://www.income.com.sg/media/income/About-Us/Corporate-Information/Reports-Publications/2015-Financial-Statements.pdf>
- 15 Income. (2021, December 31). Annual Report 2021, p. 158. Retrieved from <https://www.income.com.sg/annual-report/2021/160/>
- 16 Income. (2017, December 31- 2020, December 31). Annual Reports, 2017, 2018, 2019, and 2020. Retrieved from <https://www.income.com.sg/annual-report/2017/2/index.html> (2017), <https://www.income.com.sg/annual-report/2018/index.html> (2018), <https://www.income.com.sg/annual-report/2019/index.html> (2019), <https://www.income.com.sg/annual-report/2020/index.html> (2020).
- 17 Income. (2018, December 31). Annual Report 2018, p. 122. Retrieved from <https://www.income.com.sg/annual-report/2018/124/index.html>
- 18 *Ibid.*, p 123.
- 19 *Ibid.*
- 20 *Ibid.*
- 21 Income. (2020, December 31). Annual Report 2020, p. 141. Retrieved from <https://www.income.com.sg/annual-report/2020/142/index.html>
- 22 Income. (2019, December 31). Annual Report 2019, pp. 42, 131. Retrieved from <https://www.income.com.sg/annual-report/2019/132/index.html>
- 23 Income. (2021, December 31). Annual Report 2021, p. 140. Retrieved from <https://www.income.com.sg/annual-report/2021/142/index.html>
- 24 Income. (2022, January 06). NTUC Income Corporatises to Further Strengthen Its Competitiveness for Long-term Growth. Press Release. Retrieved from <https://www.income.com.sg/about-us/corporate-information/press-releases/ntuc-income-corporatises-to-further-strengthen-its>
- 25 *Ibid.*
- 26 *Ibid.*
- 27 *Ibid.*
- 28 *Ibid.*
- 29 *Ibid.*

- 30 *Ibid.*
- 31 Income. (2022, July 1- 2023, December 31). Annual Report 2023, p. 164. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/164/>
- 32 *Ibid.*
- 33 *Ibid.*
- 34 *Ibid.*
- 35 Yong, Gan Kim. (2024, November 12). Written reply to Parliamentary Questions on Income's financial adviser and capital reduction exercise. MAS. Retrieved from <https://www.mas.gov.sg/news/parliamentary-replies/2024/pq-on-income-financial-adviser-and-capital-reduction-exercise>
- 36 *Ibid.*
- 37 Income. (2022, July 1-2023, December 31). Annual Report 2023, pp. 54, 56 and 128. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/56/#zoom=true>
- 38 *Ibid.*
- 39 *Ibid.*
- 40 Income. (2018, December 31- 2023, December 31). Annual Reports 2018, 2019, 2020, 2021, 2023. Retrieved from <https://www.income.com.sg/annual-report/2018/index.html> (2018), <https://www.income.com.sg/annual-report/2019/index.html> (2019), <https://www.income.com.sg/annual-report/2020/index.html> (2020), <https://www.income.com.sg/annual-report/2021/142/index.html> (2021), <https://www.income.com.sg/annual-report/1jul2022-31dec2023/56/#zoom=true> (2023).
- 41 Income. (2022, July 1- 2023, December 31). Annual Report 2023, pp. 9-10. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/10/#zoom=true>
- 42 Mak, Yuen Teen. (2025). Broken Allianz with Income Part 1. Retrieved from https://bschool.nus.edu.sg/cip/wp-content/uploads/sites/144/2025/06/Income-Allianz-Part-1_final.pdf
- 43 Income. (2022, July 1- 2023, December 31). Annual Report 2023, p. 98. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/100/#zoom=true>
- 44 Income. (2024, January 1- 2024, December 31). Annual Report 2024, p. 61. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-2024-Annual-Report.pdf>
- 45 Mak, Yuen Teen. (2025). Broken Allianz with Income Part 1. Retrieved from https://bschool.nus.edu.sg/cip/wp-content/uploads/sites/144/2025/06/Income-Allianz-Part-1_final.pdf
- 46 Income. (2022, July 1- 2023, December 31). Annual Report 2023, p. 61. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/100/#zoom=true>
- 47 Income. (2024, May 17). Minutes of Annual General Meeting, Annexure A, No. 5. Retrieved from <https://www.income.com.sg/media/Income/About-Us/Corporate-Information/Reports-Publications/2024-AGM-Minutes.pdf>
- 48 *Ibid.*
- 49 *Ibid*, Annexure A, No. 9.
- 50 *Ibid.*
- 51 Mak, Yuen Teen. (2025). Broken Allianz with Income Part 1. Retrieved from https://bschool.nus.edu.sg/cip/wp-content/uploads/sites/144/2025/06/Income-Allianz-Part-1_final.pdf
- 52 *Ibid.*
- 53 Iacurci, Greg.(2023, January 7). 2022 was the worst-ever year for U.S. bonds. How to position your portfolio for 2023. CNBC. Retrieved from <https://www.cnbc.com/2023/01/07/2022-was-the-worst-ever-year-for-us-bonds-how-to-position-for-2023.html>
- 54 Carlson, Be. (2022, July 3). The Worst 6 Months Ever For Financial Markets. A Wealth of Common Sense. Retrieved from <https://awealthofcommonsense.com/2022/07/the-worst-6-months-ever-for-financial-markets/>
- 55 Income. (2021, December 31). Annual Report 2021, p. 120. Retrieved from <https://www.income.com.sg/annual-report/2021/22/>
- 56 Income. (2021, December 31). Annual Report 2021, p. 11. Retrieved from <https://www.income.com.sg/annual-report/2021/22/>
- 57 Great Eastern Holdings Limited. (2022, August 2). Financial Statements and Related Announcement: Half Yearly Results for Financial Period Ended 30 June 2022, p.1. <https://links.sgx.com/FileOpen/SGX%20Announcement.ashx?App=Announcement&FileID=725827>

- 58 Mak, Yuen Teen. (2025). Broken Allianz with Income Part 1. Retrieved from https://bschool.nus.edu.sg/cip/wp-content/uploads/sites/144/2025/06/Income-Allianz-Part-1_final.pdf
- 59 Based on Professor Mak Yuen Teen's account of the proceedings at Income Insurance AGM held on 24 June 2025.
- 60 Income. (2024, January 1- 2024, December 31). Annual Report 2024, p. 13. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-2024-Annual-Report.pdf>
- 61 Income. (2022, July 1- 2023, December 31). Annual Report 2023, pp. 18-21. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/20/>
- 62 *Ibid*, p.25.
- 63 *Ibid*, p.26.
- 64 Income. (2019, December 31). Annual Report 2019, p. 19. Retrieved from <https://www.income.com.sg/annual-report/2019/20/index.html>
- 65 Income. (2020, December 31). Annual Report 2020, p. 23. Retrieved from <https://www.income.com.sg/annual-report/2020/24/>
- 66 Income. (2021, December 31). Annual Report 2021, p. 21. Retrieved from <https://www.income.com.sg/annual-report/2021/22/>
- 67 Income. (2025, June 9). Income Insurance chairman to retire from the Board. Retrieved from <https://www.income.com.sg/about-us/corporate-information/press-releases/income-insurance-chairman-to-retire-from-the-board>
- 68 Income. (2025, June 9). Notice of Annual General Meeting. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/English-NOA.pdf>
- 69 Based on Professor Mak Yuen Teen's account of the proceedings at Income Insurance AGM held on 24 June 2025.
- 70 Income. (2025, June 24). Minutes of Annual General Meeting, Annexure A, No. 5. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-AGM-2025-Meeting-Minutes.pdf>
- 71 Income. (2025, August 1) Ms Joy Tan Appointed Board Chairperson of Income Insurance from 1 August 2025 <https://www.income.com.sg/about-us/corporate-information/press-releases/ms-joy-tan-appointed-board-chairperson-of-income-i#:~:text=This%20follows%20the%20regulatory%20approval,held%20on%2024%20June%202025.>
- 72 *Ibid*.
- 73 Singapore Statutes Online. Insurance (Corporate Governance) Regulations 2013. Retrieved from <https://sso.agc.gov.sg/SL/IA1966-S197-2013?DocDate=20220628>
- 74 *Ibid*.
- 75 Income. (2022, July 1- 2023, December 31). Annual Report 2023, p. 26. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/28/>
- 76 Income. (2024, January 1- 2024, December 31). Annual Report 2024, p. 33. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-2024-Annual-Report.pdf>
- 77 Income. (2021, December 31). Annual Report 2021, p. 160. Retrieved from <https://www.income.com.sg/annual-report/2021/162/>
- 78 Income. (2022, July 1- 2023, December 31). Annual Report 2023, p. 39. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/40/>
- 79 *Ibid*, p. 166.
- 80 Income. (2024, January 1- 2024, December 31). Annual Report 2024, p. 41. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-2024-Annual-Report.pdf>
- 81 Based on Professor Mak Yuen Teen's account of the proceedings at Income Insurance AGM held on 24 June 2025.
- 82 Income. (2025, June 9). Notice of Annual General Meeting. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/English-NOA.pdf>
- 83 Income. (2022, July 1- 2023, December 31). Annual Report 2023, p. 39. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/20/>
- 84 Income. (2024, January 1- 2024, December 31). Annual Report 2024, p. 40. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-2024-Annual-Report.pdf>
- 85 SNCF. (2022, June). NTUC Income Corporatisation Does Not Compromise Co-Op Values: NTUC Income's CEO Andrew Yeo. Retrieved from <https://www.sncf.coop/newsletters/ntuc-income-corporatisation-does-not-compromise-co-op-values-ntuc-incomes-ceo-andrew-yeo>

- 86 ITC ASIA. Speakers. Retrieved from <https://asia.insuretechconnect.com/speakers/andrew-yeo>
- 87 Income. (2024, January 1- 2024, December 31). Annual Report 2024, p. 41. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-2024-Annual-Report.pdf>
- 88 Income. (2022, July 1- 2023, December 31). Annual Report 2023, p. 133. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/134/>
- 89 Income. (2021, December 31). Annual Report 2021, p. 146. Retrieved from <https://www.income.com.sg/annual-report/2021/148/>
- 90 Income. (2024, January 1- 2024, December 31). Annual Report 2024, p. 233. Retrieved from <https://www.income.com.sg/media/Income/Comms/Files/Income-Insurance-2024-Annual-Report.pdf>
- 91 Huang, Claire. (2024, December 17). Allianz calls off deal with Income Insurance after public scrutiny. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/singapore/allianz-calls-off-deal-with-income-insurance-after-public-scrutiny>
- 92 Tan, Angela. (2024, July 17). Allianz offers to buy at least 51% of Income Insurance at \$40.58 a share in cash. *THE STRAITSTIMES*. Retrieved from <https://www.straitstimes.com/business/allianz-makes-offer-to-buy-at-least-51-of-income-insurance-at-4058-a-share>
- 93 *Ibid.*
- 94 *Ibid.*
- 95 Income. (2024, July 27). Further Information on the Pre-conditional Voluntary Cash General Offer from Allianz Europe B.V. Press Release. Retrieved from <https://www.income.com.sg/about-us/corporate-information/press-releases/further-information-on-the-pre-conditional-volunta#:~:text=Appointment%20of%20Morgan%20Stanley,deep%20understanding%20of%20Income%20Insurance.>
- 96 Huang, Claire. (2024, December 17). Allianz calls off deal with Income Insurance after public scrutiny. *THE STRAITSTIMES*. Retrieved from <https://www.straitstimes.com/singapore/allianz-calls-off-deal-with-income-insurance-after-public-scrutiny>
- 97 *Ibid.*
- 98 Min, Ang Hwee & Ganesan, Natasha. (2024, August 05). What to know so far about the Income-Allianz saga. *CNA*. Retrieved from <https://www.channelnewsasia.com/singapore/income-insurance-allianz-ntuc-enterprise-timeline-glossary-4526946>
- 99 *Ibid.*
- 100 *Ibid.*
- 101 *Ibid.*
- 102 Tong, Edwin. (2024, October 14). Pre-conditional voluntary general offer by Allianz for Income Insurance. *mccy*. Retrieved from <https://www.mccy.gov.sg/about-us/news-and-resources/speeches/2024/Oct/Pre-conditional-voluntary-general-offer-by-Allianz-for-Income-Insurance#:~:text=That%20is%20why%20Income%20has,mission%20even%20after%20the%20transaction>
- 103 *Ibid.*
- 104 Min, Ang Hwee & Ganesan, Natasha. (2024, August 05). What to know so far about the Income-Allianz saga. *cna*. Retrieved from <https://www.channelnewsasia.com/singapore/income-insurance-allianz-ntuc-enterprise-timeline-glossary-4526946>
- 105 Tan, Angela. (2024, July 17). Allianz offers to buy at least 51% of Income Insurance at \$40.58 a share in cash. *THE STRAITSTIMES*. Retrieved from <https://www.straitstimes.com/business/allianz-makes-offer-to-buy-at-least-51-of-income-insurance-at-4058-a-share>
- 106 Chern, Kang Wan. (2024, October 16). ST Explains: What scuppered the Allianz-Income deal?. *THE STRAITSTIMES*. Retrieved from <https://www.straitstimes.com/business/st-explains-what-scuppered-the-allianz-income-deal>
- 107 Ngui, Yantoultra. (2024, December 16). Allianz withdraws \$1.63 bln offer for Singapore's Income Insurance. *Reuters*. Retrieved from <https://www.reuters.com/markets/deals/allianz-withdraws-163-bln-offer-singapores-income-insurance-2024-12-16/>
- 108 Tan, Angela. (2024, July 17). Allianz offers to buy at least 51% of Income Insurance at \$40.58 a share in cash. *THE STRAITSTIMES*. Retrieved from <https://www.straitstimes.com/business/allianz-makes-offer-to-buy-at-least-51-of-income-insurance-at-4058-a-share>
- 109 Lim, Lionel. (2025, February 6). How a Global 500 insurer's \$1.6 billion Singapore deal fell apart. *Yahoo! Finance*. Retrieved from <https://finance.yahoo.com/news/global-500-insurer-1-6-210000933.html>
- 110 Allianz. (2024, December 31). Balance sheet & income statements. Retrieved from https://www.allianz.com/en/investor_relations/results-reports/financial-statements.html
- 111 *Ibid.*
- 112 Allianz. (2022, December 15). Allianz SE, Rules of Procedure: Supervisory Board, 2022. Retrieved from https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/about-us/management/en-221215-Geschaeftsordnung-Aufsichtsrat.pdf

- 113 Allianz SE. (2024, July 17). Allianz to become a leader in Singapore insurance market with planned acquisition of majority stake in Income Insurance. *Allianz*. Retrieved from <https://www.allianz.com/en/mediacenter/news/media-releases/financials/240717-allianz-to-become-a-leader-in-singapore-insurance-market-with-planned-acquisition-of-majority-stake-in-income-insurance.result.html/8.html>
- 114 Lim, Lionel. (2024, December 17). How a Global 500 insurer's \$1.6 billion Singapore deal fell apart. *FORTUNE*. Retrieved from How Global 500 insurer Allianz \$1.6B deal for Income Insurance fell apart | Fortune Asia
- 115 *Ibid.*
- 116 THE BUSINESS TIMES. (2024, August 9). Income acquisition to give double-digit ROI, strong home base in Singapore: Allianz CEO. Retrieved from <https://www.businesstimes.com.sg/companies-markets/income-acquisition-give-double-digit-roi-strong-home-base-singapore-allianz-ceo>
- 117 *Ibid.*
- 118 Chieh, Tan Suee. (2024, June). Tan Suee Chieh's Post. *LinkedIn*. Retrieved from https://www.linkedin.com/posts/sueechiehtan_tan-suee-chiehs-memo-to-mas-13-february-activity-7221008571654664192-wPZW
- 119 Chieh, Tan Suee. (2024, July 27). Commentary: What's behind the concern over Allianz's bid for Income Insurance? *CNA*. Retrieved from <https://www.channelnewsasia.com/commentary/ntuc-income-allianz-insurance-social-mission-profits-people-4506411>
- 120 Chieh, Tan Suee. (2024, August, 2). Tan Suee Chieh's post. *Facebook*. Retrieved from https://www.facebook.com/tansueechieh/posts/pfbid02AgdGfn6mZ6oQW36ndpj9AtfK51SHwGyAofPRUwSbZfk8rwuhyZR5QW33AAWXemzl?ref=embed_post
- 121 Income. (2021, December 31). Annual Report 2021, p. 141. Retrieved from <https://www.income.com.sg/annual-report/2021/142/index.html>
- 122 Income. (2022, February 18). Minutes of the Extraordinary General Meeting of NTUC Income Co-operative Limited. Retrieved from <https://www.income.com.sg/media/income/Orphan/NTUC-Income-Minutes-of-EGM-Feb-2022.pdf>
- 123 *Ibid.*
- 124 *Ibid.*
- 125 *Ibid.*
- 126 Chieh, Tan Suee. (2024, June). Tan Suee Chieh's Post. *LinkedIn*. Retrieved from https://www.linkedin.com/posts/sueechiehtan_analysis-of-the-st-interview-with-ntuc-activity-7224918650011467777-wUw0/
- 127 Lian, Tan Kin. (2024, August 12). Ex-NTUC CEO Tan Kin Lian urges to keep Income Insurance under local control. *TOC*. Retrieved from <https://www.theonlinecitizen.com/2024/08/12/ex-ntuc-ceo-tan-kin-lian-urges-to-keep-income-insurance-under-local-control/>
- 128 Huang, Claire & Tan, Angela. (2024, July 25). Income will continue with affordable insurance after stake sale to Allianz: NTUC Enterprise. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/business/income-will-continue-with-affordable-insurance-after-stake-sale-ntuc-enterprise>
- 129 The Online Citizen. (2024, July 31). Netizens skeptical of justification for selling Income amid concerns over social mission shift. *TOC*. Retrieved from <https://www.theonlinecitizen.com/2024/07/31/netizens-skeptical-of-justification-for-selling-income-amid-concerns-over-social-mission-shift/>
- 130 *Ibid.*
- 131 *Ibid.*
- 132 Koh, Tommy. (2024, July 23). Tommy Koh's post. *Facebook*. Retrieved from <https://www.facebook.com/tommy.koh.752/posts/pfbid037dp8zsd3qns5sLyuWdEhjVgaHhLoFqYvPFUew6TaY6LRCVYZMQuuGNrZUZ6xtvvl>
- 133 Cua, Genevieve. (2024, July 24). NTUC Enterprise's commitment to majority stake in Income is questioned. *THE BUSINESS TIMES*. Retrieved from <https://www.businesstimes.com.sg/wealth/ntuc-enterprises-commitment-majority-stake-income-questioned>
- 134 *Ibid.*
- 135 Income. Board of Directors. Retrieved from <https://www.income.com.sg/about-us/corporate-information/board-of-directors>
- 136 Income. (2023, December 31). Annual Report, 2023. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/19/>
- 137 Income. (2018, December 31). Annual Report, 2018. Retrieved from <https://www.income.com.sg/annual-report/2018/14/index.html>

- 138 Income. (2024, July 27). Further Information on the Pre-conditional Voluntary Cash General Offer from Allianz Europe B.V. Press Release. Retrieved from <https://www.income.com.sg/about-us/corporate-information/press-releases/further-information-on-the-pre-conditional-volunta>
- 139 *Ibid.*
- 140 Income. (2018, 2019, 2020, 2021, 2023, December 31). Annual Reports 2018, 2019, 2020, 2021, 2023. Retrieved from <https://www.income.com.sg/annual-report/2018/index.html>, <https://www.income.com.sg/annual-report/2019/index.html>, <https://www.income.com.sg/annual-report/2020/index.html>, <https://www.income.com.sg/annual-report/2021/index.html>, <https://www.income.com.sg/annual-report/1jul2022-31dec2023/>
- 141 *Ibid.*, p.26.
- 142 Income. (2019, December 31). Annual Report, 2019, p. 18. Retrieved from <https://www.income.com.sg/annual-report/2019/18/>
- 143 Income. (2023, December 31). Annual Report, 2023, p. 19. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/20/>
- 144 Income. (2024, July 27). Further Information on the Pre-conditional Voluntary Cash General Offer from Allianz Europe B.V. Press Release. Retrieved from <https://www.income.com.sg/about-us/corporate-information/press-releases/further-information-on-the-pre-conditional-volunta>
- 145 *Ibid.*
- 146 Yee, Julia. (2024, August 6). MAS will make sure terms & conditions of existing policies will not change if NTUC Income-Allianz deal goes through: Chee Hong Tat. *motherhip*. Retrieved from <https://motherhip.sg/2024/08/ntuc-income-sale-allianz/>
- 147 Monetary Authority of Singapore. (2021, November 9). Provision 1.1. Guidelines on corporate governance for designated financial holding companies, banks, direct insurers, reinsurers and captive insurers which are incorporated in Singapore. Retrieved from <https://www.mas.gov.sg/-/media/mas-media-library/regulation/guidelines/id/guidelines-on-corporate-governance/guidelines-on-corporate-governance-9-november-2021.pdf>
- 148 Fortune. (2023). Fortune 500 Companies 2021: Morgan Stanley. *Fortune*. Retrieved from <https://fortune.com/ranking/fortune500/>
- 149 Huang, Claire & Tan Angela. (2024, July 25). Income will continue with affordable insurance after stake sale to Allianz: NTUC Enterprise. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/business/income-will-continue-with-affordable-insurance-after-stake-sale-ntuc-enterprise>
- 150 Huang, Claire & Chern, Kang Wan. (2024, October 14). NTUC Enterprise, Income Insurance clarify concerns over Allianz-Income deal. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/business/ntuc-enterprise-income-insurance-bosses-clarify-concerns-over-allianz-income-deal>
- 151 NTUC Enterprise. (2024, July 30). Further clarification in relation to the Pre-Conditional Voluntary Cash General Offer from Allianz Europe B.V. Retrieved from <https://www.ntucenterprise.sg/income-insurance-corporate-update/>
- 152 Gek, Tay Peck. (2024, August 4). NTUC Enterprise, Income Insurance fend off former CEO's criticisms of proposed sale to Allianz. *THE BUSINESS TIMES*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/banking-finance/ntuc-enterprise-income-insurance-fend-former-ceos-criticisms-proposed-sale-allianz>
- 153 *Ibid.*
- 154 *Ibid.*
- 155 Ming, Lee Chong. (2024 August 5). NTUC pledges to hold Income to commitment of keeping two existing low-cost insurance schemes affordable. *CNA*. <https://www.channelnewsasia.com/singapore/income-insurance-allianz-deal-ntuc-enterprise-ng-chee-meng-4526976>
- 156 *Ibid.*
- 157 *Ibid.*
- 158 Min, Ang Hwee & Ganesan, Natasha. (2024, August 5). What to know so far about the Income-Allianz saga. *CNA*. Retrieved from <https://www.channelnewsasia.com/singapore/income-insurance-allianz-ntuc-enterprise-timeline-glossary-4526946>
- 159 Chern, Kang Wan. (2024, October 14). NTUC Enterprise, Income Insurance rebut former CEO's criticisms about Allianz offer. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/business/ntuc-enterprise-income-insurance-rebuts-former-ceo-s-criticisms-about-allianz-offer>
- 160 Min, Ang Hwee & Ganesan, Natasha. (2024, August 05). What to know so far about the Income-Allianz saga. *CNA*. Retrieved from <https://www.channelnewsasia.com/singapore/income-insurance-allianz-ntuc-enterprise-timeline-glossary-4526946>

- 161 *Ibid.*
- 162 *Ibid.*
- 163 *Ibid.*
- 164 Tan, Angela & Chern, Kang Wan. (2024, October 18). Questions to be answered in the Allianz-Income saga. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/business/questions-to-be-answered-in-the-allianz-income-saga>
- 165 *Ibid.*
- 166 Tan, Angela. (2024, October 23). Asset stripping? Capital reduction? A look at the terms arising from Allianz-Income deal saga. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/business/asset-stripping-capital-reduction-a-look-at-the-terms-arising-from-allianz-income-deal-saga>
- 167 Min, Ang Hwee. (2024, October 14). Singapore blocks Income-Allianz deal but leaves door open if concerns over public interest are fully addressed. *CNA*. Retrieved from <https://www.channelnewsasia.com/singapore/ntuc-income-allianz-deal-singapore-government-edwin-tong-4675491>
- 168 *Ibid.*
- 169 *Ibid.*
- 170 *Ibid.*
- 171 Yow, Daphne. (2024, October 15). Allianz to consider revising proposed Income deal; respects Singapore government's position. *CNA*. Retrieved from <https://www.channelnewsasia.com/singapore/allianz-income-deal-consider-revisions-singapore-government-ntuc-enterprise-4678631>
- 172 *Ibid.*
- 173 *Ibid.*
- 174 *Ibid.*
- 175 Fang, Chin Soo. (2024, October 16). The gist: Urgent Bill passed to amend Insurance Act; Team Singapore honoured. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/singapore/politics/the-gist-urgent-bill-passed-to-amend-insurance-act-team-singapore-honoured>
- 176 *Ibid.*
- 177 *Ibid.*
- 178 *Ibid.*
- 179 *Ibid.*
- 180 Ministerial Statement by Mr. Edwin Tong, Minister for Culture, Community and Youth & Second Minister for Law (2024, October 14). Pre-Conditional Voluntary General Offer by Allianz for Income Insurance. Retrieved from <https://www.mccy.gov.sg/about-us/news-and-resources/speeches/2024/Oct/Pre-conditional-voluntary-general-offer-by-Allianz-for-Income-Insurance>
- 181 Huang, Claire. (2024, December 17). Allianz calls off deal with Income Insurance after public scrutiny. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/singapore/allianz-calls-off-deal-with-income-insurance-after-public-scrutiny>
- 182 *Ibid.*
- 183 *Ibid.*
- 184 Finews.Asia (2024, December 16) Allianz Withdraws Acquisition Offer for Income Insurance. Retrieved from <https://www.finews.asia/finance/42495-allianz-income-insurance-renate-wagner-singapore-apac>
- 185 Huang, Claire. (2024, December 17). Allianz calls off deal with Income Insurance after public scrutiny. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/singapore/allianz-calls-off-deal-with-income-insurance-after-public-scrutiny>
- 186 *Ibid.*
- 187 *Ibid.*
- 188 *Ibid.*
- 189 *Ibid.*
- 190 Chan, Emil. (2024, November 6). 'Misperception' that government 'blessed' Income-Allianz deal before reversing decision: Shanmugam. *cna*. Retrieved from <https://www.channelnewsasia.com/singapore/ntuc-income-allianz-deal-government-public-misperceptions-shanmugam-4730111>

191 *Ibid.*

192 *Ibid.*

193 *Ibid.*

194 Chern, Kang Wan. (2024, October 21). MPs raise questions over communication, business uncertainty in move to block Allianz-Income deal. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/singapore/politics/mps-raise-questions-over-communication-business-uncertainty-in-move-to-block-allianz-income-deal>

195 *Ibid.*

196 Kwang, Han Fook. (2024, August 1). Commentary: Income-Allianz saga shows a lack of understanding of public sentiment and how to communicate major changes. *CNA*. Retrieved from <https://www.channelnewsasia.com/commentary/income-insurance-allianz-sale-ntuc-social-mission-low-income-4516691>

197 *Ibid.*

198 Huang, Claire. (2024, December 17). Allianz calls off deal with Income Insurance after public scrutiny. *THE STRAITS TIMES*. Retrieved from <https://www.straitstimes.com/singapore/allianz-calls-off-deal-with-income-insurance-after-public-scrutiny>

199 *Ibid.*

200 Xie, Yihui. (2025, April 28). Allianz-Income Saga Becomes a Flashpoint in Singapore's Election. *Bloomberg*. Retrieved from <https://www.bloomberg.com/news/articles/2025-04-28/allianz-income-saga-becomes-a-flashpoint-in-singapore-s-election>

201 Chieh, Tan Suee. (2025, April 27). Letter to Voters of Jalan Kayu. *facebook*. Retrieved from <https://www.facebook.com/tansueechieh/posts/letter-to-voters-of-jalan-kayuproposed-sale-of-income-insurance-to-allianz-in-20/1244236130608481/>

202 Chieh, Tan Suee. (2025, April 28). Open Letter to Mr Gan Kim Yong. *facebook*. Retrieved from <https://www.facebook.com/tansueechieh/posts/introduction-to-the-open-letter-to-mr-gan-kim-yongas-singapore-approaches-genera/1244953687203392/>

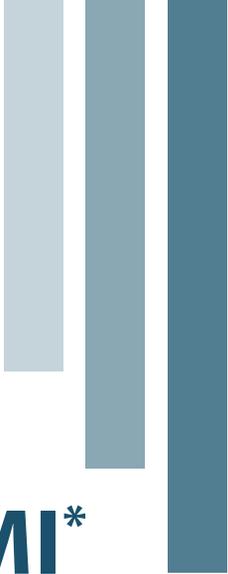
203 *Ibid.*

204 *Ibid.*

205 Mak, Yuen Teen. (2025, July). Mak Yuen Teen's Post. *LinkedIn*. Retrieved from https://www.linkedin.com/posts/yuen-teen-mak-88b34a15_we-just-want-our-money-income-insurance-activity-7343831810834845696-sc3o/

206 Income. (2022, July 1- 2023, December 31). Annual Report 2023, pp. 18-21. Retrieved from <https://www.income.com.sg/annual-report/1jul2022-31dec2023/20/>

207 Income Insurance Annual Reports.



THE FASHION SHEIN-NAMI*

Case overview

SHEIN, a Chinese fashion behemoth, is an international business-to-consumer (B2C) fast fashion e-commerce platform established in 2008. The firm optimised its ultra-fast fashion business model by leveraging on real-time retail. This has expedited the conversion of fashion trends into clothing collections, through its robust digital presence and effective marketing strategies. In 2024, SHEIN's revenues hit an estimated US\$38 billion,¹ closing in on the global fast-fashion giants, such as H&M and Zara, for the worldwide fast-fashion crown in just slightly more than a decade since its founding.²

However, as environmental, social, and governance (ESG) issues become increasingly important, the brand's marketing of disposable fashion may pose a severe threat to its enduring success. Allegations of environmental destruction, greenwashing, copyright theft, and labour abuses have been levelled against SHEIN, creating significant challenges to the company's attempt to go public in New York and London from 2022 to 2025.

The objective of this case study is to facilitate discussion of issues such as ESG and fast fashion; supply chain management; board of directors of private companies; the role of venture capital firms in the governance and management of private companies; and the regulation of private companies.

SHEIN's business model

In the 1800s, clothing collections were produced in only two seasons per year: Fall/Winter and Spring/Summer. However, by the 1990s, brands like Forever 21 and Zara began producing clothing at upwards of 52 micro-seasons per year.³ The term "fast fashion" was first coined in the 1990s by the New York Times to describe Zara's mission to take only 15 days for a garment to go from design to retail.⁴

After the 2010s, the penetration of e-commerce rose tremendously in many European countries. Coupled with the emergence of mobile commerce, many consumers began online shopping using their smartphones, which played a crucial role in the development of ultra-fast fashion and real-time retail.⁵

SHEIN, which prides itself as an "international e-commerce platform", benefited from accelerated purchasing rates during the Covid-19 pandemic. While most American fashion brands saw a sales decline of 20% in 2022,

* This case study was originally prepared by Chia Ying, Hilary Lee Jia Qi, Leong Jia En Edna and Tam Keith Yvee Michelle. It has been edited by Rachel Tang Kai Xuan, under the supervision of Professor Mak Yuen Teen, with additional content added. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

SHEIN's sales increased by triple digits.⁶ The lockdown period led SHEIN's target customers to spend more time engaging in online shopping. More consumers discovered new brands like SHEIN, which led to its dramatic rise in popularity.⁷

Ultra-fast fashion

SHEIN built upon the fast-fashion model by capitalising on increasingly shorter 'design-manufacturing-distribution' cycles to quickly replicate current fashion trends, reducing cycle times from weeks to days.⁸ SHEIN accomplished this by developing algorithms that anticipate consumer preferences in advance,⁹ generating a vast number of designs daily, and ordering them in small amounts (sometimes only a hundred pieces). Customer browsing patterns, demand and other metrics are then monitored to determine which designs to produce in larger quantities.¹⁰ By utilising just-in-time logistics, SHEIN is able to achieve a high turnover of garments and a wide variety of designs, while charging a pittance. Skirts can be as cheap as US\$2; blouses, US\$5; and jeans, US\$9.¹¹

As an online-only fashion retailer,¹² SHEIN enjoys cost savings and the benefits of economies of scale as its major expenses relate to logistics, storage, and establishing a digital presence through mobile technology.¹³ It captures fashion trends quickly by creating a feedback loop that incorporates users' input on trends, enabling swift manufacturing and speedy availability of items on its digital platforms.

With the increased popularity of social media services like TikTok in the 2020s, brand awareness surged exponentially as "SHEIN hauls" became a trend, where influencers modelled numerous pieces of clothes that their followers could purchase at a discounted price. In 2023, it was reported that the #SHEINhaul hashtag had garnered over 14 billion views.¹⁴

SHEIN's business model further evolved into real-time retail, which allows quick transformation of fashion trends into clothing collections.¹⁵ This is achieved through the immediate collection, evaluation, and dissemination of data, which results in a customised and comprehensive shopping experience for consumers. With this, SHEIN is capable of listing hundreds of new pieces on its website every day, which is substantially quicker than its fast fashion competitors.¹⁶ In 2020, the Chinese real-time fashion retailer released 150,000 new items, surpassing Zara's annual volume in just one to two months.¹⁷

In 2022, SHEIN was named Google's most-searched brand, beating other retail giants such as Zara and Nike.¹⁸

SHEIN-fluence

A key strategy SHEIN utilises is micro-influencer marketing.¹⁹ While SHEIN has collaborated with internationally recognised celebrities such as Katy Perry, Hailey Bieber, Rita Ora and Lil Nas X, it is primarily reliant on social media marketing, through collaborations with up-and-coming influencers.²⁰ These influencers typically have a few thousand followers on social media platforms such as Instagram, YouTube or TikTok, and receive free products from SHEIN every month in exchange for promotional content.²¹ Some of these micro-influencers can earn a commission of 10 to 20 percent from SHEIN's referral sales.²²

This referral strategy has proven highly effective in increasing brand awareness. In January 2022, Similar Web's traffic source statistics for the SHEIN.com site reported that 10 percent of the traffic was directly attributed to influencer recommendations (social and referrals), while 45 percent came from organic searches.²³ Over 38 percent of the traffic came from direct access, indicating a high percentage of returning customers.²⁴

By partnering with smaller, less renowned influencers, SHEIN is able to reduce its social media marketing costs while enhancing message credibility, as such influencers may be perceived as more relatable and trustworthy by their audience.²⁵

Legal loopholes

In 2018, then United States (US) president, Donald Trump, imposed trade barriers on China, alleging that China's unfair trade practices had contributed to the growing trade deficit between the two countries. This sparked a trade war, with China taking retaliatory action and imposing similar tariffs on US imports. In total, the US has imposed tariffs on more than US\$360 billion of Chinese imports, while China has retaliated with similar sanctions on more than US\$110 billion of US imports.²⁶

SHEIN's direct business-to-consumer (B2C) business model, whereby it ships customer orders directly to their houses, allowed the company to avoid such tariffs. As China does not tax exports by Chinese businesses that ship directly to consumers and US import tariffs do not apply to shipments under US\$800, SHEIN was able to take advantage of the tax system to avoid import and export taxes on most of its products. This contributed greatly to its ability to keep prices low and expand its consumer base. In contrast, competitors with a physical presence, such as Zara and H&M, must ship orders in bulk directly to their physical stores, making them subject to trade tariffs.²⁷ This legal loophole enabled SHEIN to undercut the fashion market and gain a competitive advantage over its competitors.²⁸

Unwanted exposure

In 2018, only four years after the incorporation of the firm, the confidential login details of over 39 million SHEIN accounts were stolen from the database of Zoetop Business Co., SHEIN's parent company at the time.²⁹ However, it was later reported that the company had underplayed the severity of the breach, claiming that it was only "a fraction" of customers (6.42 million) that were affected.³⁰ The company had also reassured customers that there was "no evidence" of sensitive and important credit-card payment information leaked.³¹ However, it was later revealed that the names, emails, passwords and credit-card information of these stolen accounts had been leaked.³² Zoetop Business Co. was fined US\$1.9 million.³³

Cheap clothes, high cost

"SHEIN is like a red flag to anyone focused on sustainability."

– Garik Himebaugh, founder of Eco-Stylist³⁴

An investigation into SHEIN reported that the company added between 2,000 and 10,000 unique styles to its app every day from July to December 2021.³⁵ Each item is initially produced in small quantities of 50 to 100 pieces per day. If a particular item gains popularity, it is then mass-produced.³⁶ The astounding quantity of items SHEIN produces daily has cast the spotlight on its business model, which is seen as environmentally unsustainable.³⁷

To cut as much cost as possible, SHEIN opts to make the majority of its clothing out of cheap virgin plastics such as polyester, nylon and other synthetic materials and blends.³⁸ The excessive use of virgin polyester and high consumption of oil by SHEIN's thousands of third-party manufacturers was said to result in the same amount of CO₂ emissions as about 180 coal-fired power plants.³⁹ SHEIN was said to produce about 6.3 million tons of carbon dioxide annually - falling short of the 45% target set by the United Nations (UN) for fashion companies to achieve by 2030 to help prevent global warming.⁴⁰

Moreover, SHEIN's apparel materials were found to contain high amounts of hazardous chemicals like lead, phthalates, and perfluoroalkyl (PFAs). Scientists discovered that a jacket for children contained almost 20 times the recommended safe amount of lead for children.⁴¹ Such substances are harmful to individuals' health and can also cause significant damage when released into the environment.⁴²

In addition, SHEIN's business strategy is designed to fuel demand by pushing consumers into purchasing more than originally intended.⁴³ In 2025, European consumers organisation BEUC filed a complaint with the

European Commission against SHEIN over its use of “dark patterns” in its app and website. These include pop-ups urging customers not to leave the app or risk losing promotions, countdown timers for “flash sales”, infinite scroll on its app, frequent notifications, and encouraging shoppers to engage with games on its app to win discounts and free products.⁴⁴

This aggressive push towards overconsumption has far-reaching environmental consequences. SHEIN currently ships to over 220 countries and independent regions.⁴⁵ significantly more than competitors like Zara (96 countries), and H&M (74 countries).⁴⁶ The environmental toll is compounded not just by global deliveries but also by the high volume of returns, the majority of which end up as waste in landfills as the expense of reintroducing them into circulation is greater.⁴⁷ Furthermore, SHEIN packages its items individually in plastic zip-lock bags, which leads to the generation of more waste.⁴⁸

In order to bypass trade tariffs, SHEIN also delivers its parcels individually instead of setting up physical warehouses. SHEIN delivers around 5,000 tons of products per day, using approximately 50 cargo planes.⁴⁹ Approximately 443 tonnes of carbon dioxide are released per cargo plane used to ship its products.⁵⁰

Threadbare promises

During the Global Fashion Summit in Copenhagen in June 2022, SHEIN announced the Extended Producer Responsibility Fund. The fund would allocate US\$50 million over five years to address textile waste problems, beginning with a US\$15 million donation to the Or Foundation, a charity which supports textile waste workers in Ghana.⁵¹ However, these efforts have been criticised as “public greenwashing” as they do not address the root cause of the problem.⁵²

SHEIN’s global head of ESG in 2022, Adam Whinston, pledged to take further steps for the long-term interests of the company and environment.⁵³ In its attempt to lower its carbon footprint, SHEIN intends to shift towards shipping more of its products, instead of relying on air transportation. Moreover, the company plans to enhance the energy efficiency of its manufacturing plants and increase the usage of recycled fibres.⁵⁴

In 2022, SHEIN also launched SHEIN Exchange, a platform which allows customers to buy and sell second-hand SHEIN clothes.⁵⁵ In principle, it aligns with the growing trend of sustainability in fashion. However, several publications said that launching a resale initiative may not be effective in achieving SHEIN’s sustainability goals due to the nature of its business model.⁵⁶ A survey found that consumers are primarily interested in saving money or buying higher-end brands when shopping for second-hand items.⁵⁷ This may not be the case for SHEIN’s extremely low-priced garments, as it may not be cost-effective for sellers to go through the trouble of listing a product for a pittance.⁵⁸

In September 2024, the Italian Competition and Market Authority launched an investigation against SHEIN over the use of “generic, vague, and imprecise” claims about the quality of its products and their environmental impact and recyclability on its Italian website.⁵⁹

Behind the seams

With more than 500 free-on-board factories, SHEIN deals with its volatile demand through an extensive web of suppliers and manufacturers.⁶⁰ This gives rise to many “ghost factories”.⁶¹ These are manufacturers that produce items for SHEIN under SHEIN’s brand and not their own. These “ghost factories” stand to benefit through having guaranteed consumer demand.⁶²

Most of these “ghost factories” are unregistered businesses that SHEIN’s official manufacturing suppliers engage in subcontracting orders with to cut costs.⁶³ These “ghost factories” have no official contract with SHEIN.⁶⁴ As a result, many of their basic workers’ rights and safety needs can be easily overlooked.⁶⁵

SHEIN has extended this practice to its logistics centres. According to an insider, SHEIN no longer hires workers directly for its logistics centres. Instead, it uses agencies to hire staff on its behalf.⁶⁶ This is a common practice in China due to the added convenience of outsourcing the management of employees.⁶⁷ This comes at the expense of employees who face problems such as late payment of wages by these agencies.⁶⁸ Employees' efforts to file complaints are futile as these agencies are too small to be held accountable and SHEIN is almost impossible to contact directly.⁶⁹

Raw materials

“To apply a presumption that imports of all goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region (Xinjiang) of the People’s Republic of China (PRC), or by entities identified by the US government on the UFLPA Entity List, are presumed to be made with forced labour and are prohibited from entry into the United States.”

– *Uyghur Forced Labour Prevention Act (UFLPA)*⁷⁰

Xinjiang is often seen as a manufacturing region that violates basic human rights. It has been reported that Chinese Muslims are detained in ‘re-education’ camps where they are forced to harvest cotton and are subject to inhumane working conditions. Cotton from this region accounts for up 20% of the world’s cotton and 84% to 87% of the cotton from China.⁷¹

In 2022, Bloomberg conducted an investigation to identify the origin of cotton used to make SHEIN’s apparel. Clothes were randomly picked from the pool of 60,000 items retailed online under ‘cotton’. By analysing the cotton material at a molecular level, scientists managed to draw similarities through the variations in the carbon, oxygen and hydrogen isotopes of the cotton molecule in its fibres. Considering the altitude and other climate characteristics of the area, they determined that the cotton originated from Xinjiang, China.⁷²

Reports of SHEIN’s purported use of Xinjiang cotton caused the company to come under fire in the US. In February 2023, US senators raised concerns about the use of Xinjiang cotton in SHEIN’s clothing, which could constitute a violation of Section 307 of the US’ Tariff Act of 1930, which prohibits the imports of any product that is “mined, produced, or manufactured wholly or in part by forced labour, including forced or indentured child labour”.⁷³ This is due to the UFLPA, which establishes a legal rebuttable presumption that Xinjiang cotton is made with forced labour.⁷⁴

In response, SHEIN claimed that as a global company, it places strong focus on visibility across the entire supply chain. SHEIN claimed that its suppliers adhere to a strict code of conduct (CoC) that is aligned to the International Labour Organization’s (ILO) core conventions and that it does not condone any form of forced labour in its operations.⁷⁵

SHEIN also partnered with an international fibre traceability lab, Oritain, to provide official verification of the raw cotton SHEIN uses in its supply chain to ensure continued compliance with the US legal rules and laws.⁷⁶

Factory conditions

In SHEIN’s Workplace Health and Safety statement, it states that it expects its Supplier Partners to protect the health and safety of their workers, and operate in strict compliance with local and national laws, rules, governmental orders, and regulatory requirements.⁷⁷

SHEIN uses the SHEIN Responsible Sourcing (SRS) evaluation system in its regular audits of its suppliers. According to SHEIN’s 2021 Sustainability and Social Impact Report, 66% of the firm’s supplier warehouses and factories had a “mediocre” performance. About 12% of the suppliers audited were found to have Zero Tolerance

Violations (ZTVs). The lowest score of ZTVs comprises severe safety and health violations, forced and underage labour as well as serious environmental pollution.⁷⁸

Investigators from Sixth Tone reported in September 2021 that there was no proper ventilation or air conditioning in factories which manufactured SHEIN products despite the intense heat and humidity of Guangzhou, and there was usually only one ceiling fan precariously dangling over the workers.⁷⁹

Later that year, a Swiss Non-Governmental Organisation, Public Eye, reported in a separate unofficial investigation that these workshops had other obvious safety hazards, such as the absence of proper safety equipment and emergency exits, as well as obstructed walkways.⁸⁰

In addition, it was revealed that SHEIN had falsely claimed on its website that the factories it worked with were certified by the International Organization for Standardization and that SHEIN was in compliance with labour standards set by SA8000, when it had not received such certifications.⁸¹

In response to the immense backlash from these allegations, SHEIN announced in May 2022 its intention to invest US\$15 million into improving the conditions of these factories in the next three to four years.⁸²

In October 2022, a documentary broadcast by Channel 4, “Inside the SHEIN Machine”, revealed that some factory workers employed by manufacturers of SHEIN’s products worked 17-hour shifts to generate hundreds of garments daily.⁸³ The documentary revealed that there was little to no regulation on the maximum number of hours that these employees could work. On the contrary, workers were encouraged and rewarded for working extra hours, as they were paid per item of clothing produced.⁸⁴ However, these extended hours are in violation of China’s labour laws, which specify a maximum of an eight-hour working day and a forty-hour work week.⁸⁵

In 2023, SHEIN reported that workers at SHEIN’s manufacturing supplier facilities earned more than double (230%) the average local minimum wage across sampled cities and 48% higher than the living wage in Shenzhen.⁸⁶ Later in 2024, it reported that it had modernised more than 160 suppliers’ facilities in its supply chain with facility enhancements, upgrades and expansion, transforming over 407,000 square metres (over 4.4 million square feet) of workspace.⁸⁷ It also disclosed that it had found two cases of child labour in its supply chain in 2023.⁸⁸

A BBC investigation in early 2025 reported an improvement in factory conditions but found that workers were still working excessive hours.⁸⁹

Cut, paste, stitch

SHEIN has been sued at least 90 times for alleged violations of intellectual property rights.⁹⁰

“My designs, which have been my whole life for the last 3 years, are now sold to millions of SHEIN consumers that will never know about me.”

– *Bailey Prado, an independent designer who accused SHEIN of stealing 45 of her work designs.*⁹¹

Numerous independent designers and clothing apparel brands have alleged that their designs have been misappropriated by SHEIN. For instance, Sincerely Ria, founded by Mariama Diallo who was inspired by Guinea’s Fulani culture, shared that SHEIN not only stole her designs, but also copied the visual aesthetic of her brand.⁹²

In July 2023, SHEIN was sued by a group of independent designers for the alleged theft of their designs. The lawsuit was brought under the Racketeer Influenced and Corrupt Organization Act (RICO). The claimants argued that SHEIN’s corporate structure and production strategy made it difficult to identify the company, which enabled the company’s alleged intellectual property theft and blame avoidance.⁹³

In 2024, SHEIN was sued by an independent artist, Alan Giana, who alleged that SHEIN had used algorithmic technology in an “industrial-scale scheme of systematic, digital copyright infringement of the work of small designers and artists.”⁹⁴

SHEIN also allegedly steals designs from reputable brands and as such, has been involved in numerous copyright infringement lawsuits. In 2018, Levi Strauss filed a case against SHEIN in 2018 for duplicating a stitch pattern that is Levi’s brand trademark.⁹⁵ Fast-fashion competitor H&M confirmed in 2024 that it had also filed a lawsuit against SHEIN for copyright infringement.⁹⁶

In response to these allegations, Vice-Chairman of SHEIN, Marcelo Claire, stated that it has a “zero tolerance policy” for copyright infringement. A company spokesperson also stated the SHEIN uses image-recognition technology to find cases of potential infringement and conducts manual reviews, and takes disciplinary action against designers and manufacturers when copyright infringements occur.⁹⁷

SHEIN-ing little light on the Board of Directors

The Board of Directors of SHEIN consists of four members, Meng Lian,⁹⁸ Xiaodong Chen,⁹⁹ Yangtian Xu (Chris Xu)¹⁰⁰ and Xiaoqing Ren,¹⁰¹ which has not changed since the company’s inception. Of the four members, three are male and all are Chinese. SHEIN also has the same Chairman and CEO - Chris Xu.¹⁰² Little else is known about the directors.

As a private company, SHEIN is not subject to any corporate governance regulations or disclosure requirements. In the United Kingdom (UK), the Wates Corporate Governance Principles (The Wates Principles) was issued to guide large private companies to improve their corporate governance standards via the provision of six corporate governance principles. However, these are not mandatory and Shein as a non-UK company is not subject to these principles.

Fashion-forward venture

Venture capital firms are private equity investors that provide funding to private companies with high growth potential in exchange for an equity stake or a share of the company’s profits.¹⁰³ They also serve as mentors and play an important role in the governance and management of these companies.

SHEIN’s investors include General Atlantic, Greenwood Asset Management, IDG capital, JAFCO Asia, HongShan Capital Group (formerly known as Sequoia Capital China), Tiger Global Management, and Mubadala Investment Company.¹⁰⁴ General Atlantic is an American growth equity firm headquartered in New York.¹⁰⁵ Greenwood Asset Management is an investment management company that specialises in managing funds.¹⁰⁶ IDG Capital is an investment and asset management firm with a specialisation in venture capital.¹⁰⁷ JAFCO Asia is a venture capital firm based in Tokyo.¹⁰⁸ HongShan Capital Group is a venture capitalist firm based in Beijing.¹⁰⁹ Tiger Global management is an American investment firm.¹¹⁰ Mubadala Investment Company is a sovereign wealth fund of the government of Abu Dhabi.¹¹¹

SHEIN held a total of seven funding rounds from 2013 to 2023, raising over US\$4.1 billion.¹¹² In the Series A round held in January 2013, SHEIN raised US\$5 million, with JAFCO Asia as the lead investor.¹¹³ In the Series B round in January 2015, it raised from IDG Capital and Greenwood Asset Management a total of CN¥300 million (US\$43.6 million).¹¹⁴ An undisclosed amount was provided by HongShan Capital Group for the late stage venture Series C round that occurred in January 2018.¹¹⁵ The Series D round held in January 2019 saw investments of US\$500 million from Tiger Global Management and HongShan Capital Group.¹¹⁶ An undisclosed amount from undisclosed investors was raised during the Series E round in August 2020.¹¹⁷ During the Series F round in April 2022, a total of US\$1.5 billion was raised from Tiger Global management, HongShan Capital Group and General Atlantic, and SHEIN was valued at about US\$100 billion.¹¹⁸ In May 2023,

US\$2 billion was raised in a private equity round by HongShan Capital Group, General Atlantic, and Mubadala Investment Company.¹¹⁹

The role of venture capital investors

Venture capital firms play an important role in the governance and management of the private companies they invest in.

They are generally represented on the board of directors. On average, venture capitalists receive a board seat in these investee companies 43.9% of the time.¹²⁰ Compared to public firms, boards of directors of venture capital-backed firms are generally smaller and more independent of management. There is usually only one insider and as the board grows, they become even more independent with the addition of venture capital investors and outside directors. Representation on the board allows venture capital firms to provide governance oversight by guiding companies on corporate governance practices and shaping their governance structures.¹²¹ A strong positive relationship has been found between venture capital funding and its subsequent influence on matters such as board decisions, board composition, CEO hiring, executive compensation and employee incentives.¹²² Furthermore, venture capitalists are able to leverage their networks to recruit managers and outsider board members for these portfolio companies. This is a significant advantage as surveys indicate that managerial quality is a key determinant of the success of an early-stage venture.¹²³

The fact that venture capital firms are generally represented on the board gives them a voice in the business decision-making of investee companies.¹²⁴ One key role of venture capital firms is the provision of advice and expertise to their portfolio companies. This includes strategic guidance, financial decisions, operational support and performance monitoring. With greater experience in the industry, venture capitalists can help the company develop their ideas into a profitable business as they grow and expand.¹²⁵

Venture capital firms also hold the company accountable and ensure the financial discipline of the companies. Venture capital firms are accountable to their partners for the management of privately funded money. Therefore, venture capitalists are likely to be more careful in making investment decisions with these funds and will work to ensure that the company generates a profit for their partners.¹²⁶ This can come in the form of helping portfolio companies evaluate and select profitable projects and monitoring their financials to ensure they hit performance targets.¹²⁷

They also help by providing funding and resources to their investees. Through fundraising, venture capitalists can generate funds to help further expand the business. However, in recent times, the greatest value venture capital firms can offer is no longer the amount of capital they can provide, but other value-added resources such as the recruitment and development of talent, networking opportunities and access to resources.¹²⁸ One significant value-add is the connections and associated networking opportunities made available to the portfolio companies.¹²⁹ Research shows that well-connected and successful venture capitalists deliver great value to the private companies they invest and serve as directors in.¹³⁰ Strong connections to business or industry leaders, experts in the field, marketing professionals, recruiters and other talents give the portfolio companies crucial access to new talent, other sources of funding and partnership opportunities, mentorship opportunities and greater knowledge to further grow its business into a powerful brand.¹³¹

While venture capital is crucial in providing funding and for its role in the governance and management of these private companies, it also raises several related corporate governance issues that may have negative implications.

The first issue is limited accountability. Some principles that publicly traded companies have to adhere to include strong corporate governance practices, transparency with investors and controls over financial reporting, which are not legally required for private firms. Given the high risk involved with investing in startup companies,

some venture capital firms view the breaking of certain rules as justifiable.¹³² The nature of venture capitalism has been described as an “environment in which breaking the rules remains a fundamental principle”.¹³³ This is possible as fewer regulatory requirements are imposed on private companies compared to public firms. This leads to a lack of accountability, governance, and oversight, which eventually results in questionable practices that may go unnoticed or unchallenged.¹³⁴

Compared to traditional banks, venture capitalists are generally more willing to take on more investment risks.¹³⁵ They invest in young companies in the hope of growing the business into a successful enterprise, in order to exit at a higher valuation to earn a profit.¹³⁶ Venture capital firms can provide early-stage capital, expansion capital, late-stage capital, or acquisition/ buyout capital. An exit strategy is implemented and discussed to allow the venture capital firm to end their investment, ideally with a return on their investment. This is generally done through selling the business or their shares to the public.¹³⁷ For example, providing acquisition capital is a way that profits can be earned as partners can help prepare the firm for an initial public offering (IPO) and then sell their shares when the company goes public.¹³⁸

Venture capitalists who aim to exit the company with a profit may prioritise short-term profitability over long-term sustainability, which is not always in the interest of the private company. This may result in them focusing their attention on deal execution, profit maximisation and management, instead of governance of the company.¹³⁹ The former US Securities and Exchange Commission (SEC) Chair, Mary Jo White, said that start-up companies often have less robust corporate governance practices and internal controls compared to publicly traded firms. She commented that although not legally mandated, the rules are applicable and relevant to private companies, especially pre-IPO companies that have plans to go public in the future, and should not be disregarded or overlooked.¹⁴⁰ Having good corporate governance practices and internal controls is crucial in helping companies avoid financial and operational risk, prevent fraud and improve efficiency.¹⁴¹ The failure to enforce proper controls increases the risk of business failure and is extremely costly to the long-term health and overall well-being of the private company.¹⁴²

Conflicts of interest may also exist between the venture capital firm and the portfolio company. Directors from venture capital investors face the problem of balancing the fiduciary duties owed to the portfolio companies and the obligations they have as corporate employees of the venture capital firms.¹⁴³ Furthermore, venture capitalists often invest in multiple private companies that may operate in the same or similar industries, which potentially creates multiple conflicts of interests and results in biased judgement in decision making.¹⁴⁴

From riches to rags?

Talks of SHEIN going public began in 2020. However, this was not followed through due to volatile markets¹⁴⁵ and rising trade tensions between China and the US.¹⁴⁶

Nonetheless, SHEIN continued to seek a public listing. In 2021, Chinese corporate filings showed that SHEIN had de-registered its main business, Nanjing Top Plus Information Technology Co Ltd.¹⁴⁷ Since late 2021, Roadget Business Pte. Ltd., a Singapore-registered entity with Chris Xu and three others listed as its representatives, has been the legal entity operating SHEIN’s global website, and the owner Guangzhou Shein International Import & Export Co Ltd’s and SHEIN’s trademarks, making it SHEIN’s de facto holding company¹⁴⁸. It was also reported that Chris Xu had become a permanent resident of Singapore.¹⁴⁹

SHEIN’s move to Singapore has been attributed to Singapore’s political neutrality and operational stability.¹⁵⁰ It has been suggested that the move to Singapore is an attempt to reduce SHEIN’s exposure to the US-China trade tensions and to bypass the strict and restrictive regulations placed on Chinese companies going public overseas.¹⁵¹

Potential New York IPO

In January 2022, Reuters reported that SHEIN was planning to list on the New York Stock Exchange (NYSE).¹⁵² The planned listing was part of SHEIN's effort to gain legitimacy as a global company, rather than a Chinese company, and to access a wider pool of Western investors.¹⁵³

In November 2022, it was reported that SHEIN had appointed Donald Tang, a former Bear Stearns investment banker and entertainment executive, as executive Vice Chairman.¹⁵⁴ Tang is known for making major deals and forging connections between China and the US.¹⁵⁵ His appointment was viewed as a strategic move aimed at enhancing the company's appeal to international investors and supporting SHEIN's broader goal of going public.¹⁵⁶

However, as a China-linked company with deep brand awareness among US consumers and a large potential offering, SHEIN became an "attractive target" for US politicians amidst the decline in relations between the US and China.¹⁵⁷ On 1 May 2023, a bipartisan group of 22 US House of Representatives members urged the SEC to require SHEIN to certify that its China-made products do not utilise Uyghur forced labour, as a condition of being registered to issue securities in the US.¹⁵⁸

In November 2023, SHEIN confidentially filed to go public in the US, targeting a valuation of as much as US\$90 billion.¹⁵⁹

On 12 January 2024, Reuters reported that SHEIN was seeking approval from the China Securities Regulatory Commission (CSRC) for its US IPO despite being headquartered in Singapore. Chinese companies require such approval, even if they are headquartered offshore, if they derive 50% or more of their operating revenue, profit, total assets, or net assets from mainland China, and either conduct the core of their business activities within the country or have a majority of senior management who are Chinese citizens or permanent residents.¹⁶⁰ While SHEIN does not own or operate any manufacturing facilities, it relies on around 5,400 third-party contract manufacturers, mainly in China. This subjects it to the CSRC rules,¹⁶¹ which allow the CSRC to vet offshore listings and block offerings that could jeopardise China's national interests.¹⁶² The CSRC reportedly informed SHEIN that it did not recommend a US IPO due to SHEIN's supply chain issues.¹⁶³

SHEIN's IPO attempt on NYSE was met with further resistance in the US, with Senator Marco Rubio filing a letter to the SEC in February 2024, urging it to block SHEIN's IPO unless additional disclosures about the "serious risks of doing business in China" and SHEIN's business operations were made. These included acknowledgment from SHEIN that it "has sold apparel made with cotton fibers from the Xinjiang Uyghur Autonomous Region", and that SHEIN's business "relies on exploiting de minimis entry". Rubio wrote that the CSRC rules raised the risk of SHEIN deceiving investors about the risks of its business.¹⁶⁴

In May 2024, it was reported that SHEIN had attempted to become a member of the National Retail Federation (NRF), the retail industry's largest and most powerful trade association, which "could help legitimi[s]e Shein in the eyes of federal lawmakers". However, SHEIN's membership application was rejected multiple times.¹⁶⁵

By June 2024, SHEIN's US IPO was regarded as "all but dead".¹⁶⁶

Potential London IPO

In June 2024, it was reported that SHEIN had confidentially filed papers with the Financial Conduct Authority (FCA), Britain's markets regulator, for a potential listing on the London Stock Exchange (LSE).¹⁶⁷

This attempt to go public also met obstacles. That same month, a group campaigning against forced labour in China, Stop Uyghur Genocide (SUG), launched a legal campaign to block SHEIN's potential listing on the LSE.¹⁶⁸

Britain's Independent Anti-Slavery Commissioner also raised concerns about the allegations about the labour practices of SHEIN's suppliers.¹⁶⁹

An online petition backed by British retail consultant and television personality Mary Portas, calling on the government to block SHEIN's London listing, was launched in July 2024. The campaign accused SHEIN of exploiting workers, damaging the environment and avoiding tax.¹⁷⁰

SHEIN subsequently announced the establishment of its Global External ESG Advisory Board (EEAB) on 6 December 2024. The EEAB provides advice on emerging trends, risks, and opportunities related to ESG, as well feedback on the company's ESG initiatives, policies, and practices. The EEAB is headed by Ram Gidoomal CBE (Gidoomal), and also consists Dr. Xiaohui Liang (Dr. Liang), Robin Millington (Millington), and Christoph Wolff (Wolff).¹⁷¹

Gidoomal is a businessman, social entrepreneur, and philanthropist. He served as Chairman of CottonConnect, and as Director in Traidcraft plc and the London Sustainability Exchange. He has held various governance roles, including with Imperial College, International Justice Mission, and the UK Equalities and Human Rights Commission.¹⁷²

Dr. Liang formerly led China's first human rights education program at Peking University and served as Chief Researcher at the Office for Social Responsibility of China National Textile and Apparel Council, spearheading the development of China's first voluntary CSR initiative and social responsibility management system. He teaches the course "Business and Human Rights" at Peking University Law School.¹⁷³

Millington previously served as Founding CEO of Planet Tracker, a non-profit sustainable finance think tank, as well as Director with the European Climate Foundation, Founding Director of Wetlands International, and Managing Director of the Centre for European Policy Studies (CEPS) in Brussels.¹⁷⁴

In January 2025, the Chair of the Business and Trade Committee, Liam Byrne, wrote to the LSE to raise concerns about evidence given by a SHEIN representative at a hearing with the Business and Trade Committee, who had refused to answer questions about SHEIN's supply chain.¹⁷⁵

In February 2025, days after the Trump administration announced the closure of the de minimis duty exemption in the US, SHEIN's valuation in the potential London listing was reportedly set to be cut to US\$30 billion, a fraction of its US\$100 billion valuation in 2022.¹⁷⁶

Things took a positive turn for SHEIN in April 2025, when it was reported that SHEIN had successfully secured approval from the FCA for its London IPO.¹⁷⁷

However, despite receiving approval from the FCA, SHEIN ultimately failed to secure the green light from the CSRC, reportedly due to concerns that the allegations that SHEIN's products contain cotton from China's Xinjiang region and planned legal challenge to the London IPO by SUG, would risk embarrassment for the Chinese government.¹⁷⁸

Potential Hong Kong IPO

In May 2025, it was reported that SHEIN was working towards a listing in Hong Kong after its failure to secure approval from the CSRC for the London IPO. Some observers noted that a listing in Hong Kong would go against SHEIN's original strategy to gain legitimacy as a global company, and could hurt its global credentials.¹⁷⁹

Would SHEIN finally succeed in its aspirations to list on a global stock exchange? Would it be able to burnish its sustainability credentials, or is its business model so obviously harmful to the planet that no amount of greenwashing can save it?

Discussion questions

1. Evaluate SHEIN's business against sustainability considerations. Are fast fashion and sustainability always incompatible? Is it possible for a fast fashion business to achieve good performance in sustainability?
2. Is it ethical for celebrities and influencers to collaborate with SHEIN in view of its business model?
3. Some may argue that they utilise purchases from SHEIN for a long time. To what extent does this absolve them from the responsibility of fuelling the fast fashion throwaway culture? To what extent are SHEIN's responses to controversies (e.g., US\$15 million donation to the Or foundation) addressing the issues in its supply chain?
4. To what extent does SHEIN adhere to supply chain regulations?
5. Critically evaluate the corporate governance and transparency of SHEIN.
6. Should corporate governance rules for publicly-listed companies apply to private companies like SHEIN? What are the key corporate governance rules, if any, that you think should apply?
7. Critically evaluate the pros and cons of venture capital firms investing in companies like SHEIN. What are the possible positive and negative impact of venture capital investors on corporate governance of investee companies?
8. Why do you think SHEIN moved its headquarters to Singapore but chooses to list in other countries, but not in Singapore?

Endnotes

- 1 The Business Times. (2025, February 23). Shein's annual profit down by more than a third: report. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/update-1-sheins-annual-profit-down-more-third-ft-reports>
- 2 Yong, J. (2022, October 28). Fast-fashion juggernaut Shein's sales close in on Zara, H&M. *The Wall Street Journal*. Retrieved from <https://www.wsj.com/articles/fast-fashion-juggernaut-sheins-sales-close-in-on-zara-h-m-11666949403>
- 3 Hardy, A. (2024, 24 April). Everything you need to know about fast fashion. *Vogue*. Retrieved from <https://www.vogue.com/article/what-is-fast-fashion>
- 4 Rauturier, S. (2025, February 26). What is fast fashion and why is it so bad? *Good on you*. Retrieved from <https://goodonyou.eco/what-is-fast-fashion/>
- 5 Minter, A. (2022, November 3). Shein Exchange: Fast fashion resale won't solve its waste problem. *Bloomberg*. Retrieved from <https://www.bloomberg.com/opinion/articles/2022-11-03/shein-exchange-fast-fashion-resale-won-t-solve-its-waste-problem#:~:text=Allegations%20of%20labor%20abuses%2C%20environmental,with%20its%20ultra%2Dcheap%20apparel>
- 6 Li, J. (2021, December 13). How the Chinese Fast Fashion Brand Shein is conquering the US Market. *Euromonitor*. Retrieved from <https://www.euromonitor.com/article/how-the-chinese-fast-fashion-brand-shein-is-conquering-the-us-market>
- 7 Daxue Consulting. (2022, July 7). Shein's marketing strategy: From a U.S.-China focus to global expansion. Retrieved from <https://daxueconsulting.com/shein-market-strategy/>
- 8 Cuofano, G. (2023, January 23). How does Shein make money? The Shein Business Model Analysis. *FourWeekMBA*. Retrieved from <https://fourweekmba.com/shein-business-model/>
- 9 Minter, A. (2022, November 3). Shein Exchange: Fast fashion resale won't solve its waste problem. *Bloomberg*. Retrieved from <https://www.bloomberg.com/opinion/articles/2022-11-03/shein-exchange-fast-fashion-resale-won-t-solve-its-waste-problem#:~:text=Allegations%20of%20labor%20abuses%2C%20environmental,with%20its%20ultra%2Dcheap%20apparel>
- 10 *Ibid.*
- 11 *Ibid.*
- 12 Rajvanshi, A. (2023, January 17). Shein is the world's most popular fashion brand – at a huge cost to us all. *Time*. Retrieved from <https://time.com/6247732/shein-climate-change-labor-fashion/>
- 13 Minter, A. (2022, November 3). Shein Exchange: Fast fashion resale won't solve its waste problem. *Bloomberg*. Retrieved from <https://www.bloomberg.com/opinion/articles/2022-11-03/shein-exchange-fast-fashion-resale-won-t-solve-its-waste-problem#:~:text=Allegations%20of%20labor%20abuses%2C%20environmental,with%20its%20ultra%2Dcheap%20apparel>
- 14 Free Malaysia Today. (2023, December 11). Shein is most popular brand in Tiktok shopping hauls. *Free Malaysia Today*. Retrieved from <https://www.freemalaysiatoday.com/category/leisure/2023/12/11/shein-is-most-popular-brand-in-tiktok-shopping-hauls>
- 15 Jing Daily. (2021, April 13). From start-up to global fashion brand – how Shein conquered the world. *WARC*. Retrieved from <https://www.warc.com/content/feed/from-start-up-to-global-fashion-brand--how-shein-conquered-the-world/en-GB/1837>
- 16 McKinnon, T. (2024, April 3). 11 things you need to know about Shein. *Indigo9 Digital Inc*. Retrieved from <https://www.indigo9digital.com/blog/sheingrowthstrategy>
- 17 Daxue Consulting. (2025, February 26). Shein's marketing strategy: From a U.S.-China focus to global expansion. *Daxue Consulting*. Retrieved from <https://daxueconsulting.com/shein-market-strategy/>
- 18 Timesofindia.com. (2022, December 9). Shein named as the most Google searched brand of 2022. *Times of India*. Retrieved from <https://timesofindia.indiatimes.com/life-style/fashion/buzz/shein-named-as-the-most-google-searched-brand-of-2022/articleshow/96086580.cms>
- 19 Daxue Consulting. (2025, February 26). Shein's marketing strategy: From a U.S.-China focus to global expansion. *Daxue Consulting*. Retrieved from <https://daxueconsulting.com/shein-market-strategy/>
- 20 *Ibid.*
- 21 *Ibid.*
- 22 *Ibid.*
- 23 Similarweb. (n.d.) Shein.com Traffic Analytics & Market Share Retrieved from <https://www.similarweb.com/website/shein.com/>
- 24 *Ibid.*

- 25 Daxue Consulting. (2020, October 21). KOC marketing in China often gets more bang for the buck than KOL marketing. *Daxue Consulting*. Retrieved from <https://daxueconsulting.com/koc-marketing-in-china/>
- 26 Sharuddin, S. (2022, April 1). Can anything take the Shein of China's e-commerce titan? *InsideRetail*. Retrieved from <https://insideretail.com.au/sectors/fashion-accessories/can-anything-take-the-shein-of-chinas-e-commerce-titan-202204>
- 27 BBC News. (2020, January 16). A quick guide to the US-China trade war. *BBC News*. Retrieved from <https://bbc.com/news/business-45899310>
- 28 Vara, V (2022, May 4). *Fast, cheap, and out of control: inside Shein's sudden rise*. *Wired*. Retrieved from <https://www.wired.com/story/fast-cheap-out-of-control-inside-rise-of-shein/>
- 29 BBC News. (2022, October 15). Shein owner Zoetop fined \$1.9m over Data Breach response. *BBC News*. Retrieved from <https://www.bbc.com/news/technology-63255661>.
- 30 *Ibid.*
- 31 *Ibid.*
- 32 *Ibid.*
- 33 *Ibid.*
- 34 Morgan, E. (2023, March 5). *Is Shein Bad for the environment? how ethical is Shein? let's discuss*. *Eco*. Retrieved April 12, 2023, from <https://www.eco-stylist.com/its-time-to-find-ethical-alternatives-to-fast-fashion-giant-shein/>
- 35 Matsakis, L., Tobin, M., Chen, W.(2021, December 14). How Shein beat Amazon at its own game - and reinvented fast fashion. *Rest of World*. Retrieved from <https://restofworld.org/2021/how-shein-beat-amazon-and-reinvented-fast-fashion/>
- 36 SHEIN. (n.d.). Our on-demand business model. *SHEIN Group*. Retrieved from <https://www.sheingroup.com/our-business/our-business-model/>
- 37 Rajvanshi, A. (2023, January 17). Shein is the world's most popular fashion brand – at a huge cost to us all. *Time*. Retrieved from <https://time.com/6247732/shein-climate-change-labor-fashion/#:~:text=As%20a%20result%2C%20the%20company,to%20help%20limit%20global%20warming>
- 38 COSH. (n.d.). How sustainable is Shein? *COSH!* Retrieved from <https://cosh.eco/en/brand/is-shein-sustainable#:~:text=SHEIN%20clothing%20is%20often%20made,material%20and%20are%20therefore%20biodegradable>
- 39 *Ibid.*
- 40 *Ibid.*
- 41 Cowley, J., Mattels, S., and Agro, C. (2021, October 1). Experts warn of high levels of chemicals in clothes by some fast-fashion retailers. *CBCnews*. Retrieved from <https://www.cbc.ca/news/business/marketplace-fast-fashion-chemicals-1.6193385>
- 42 *Ibid.*
- 43 BEUC. (2025, June 5). Consumer groups file complain against SHEIN for dark patterns fuelling over-consumption. *BEUC*. Retrieved from <https://www.beuc.eu/press-release/consumer-groups-file-complaint-against-shein-dark-patterns-fuelling-over-consumption>
- 44 The Business Times. (2025, June 5). Shein hit with complaint from EU consumer group over 'dark patterns'. *The Business Times*. Retrieved from <https://www.businesstimes.com.sg/companies-markets/shein-hit-complaint-eu-consumer-group-over-dark-patterns>
- 45 Williams, D. (2022, April 10). Shein: the unacceptable face of throwaway fast fashion. *The Guardian*. Retrieved from <https://www.theguardian.com/fashion/2022/apr/10/shein-the-unacceptable-face-of-throwaway-fast-fashion>
- 46 Make Fashion Better, (2022, September 11). SHEIN: What you need to know about the brand's social and environmental impact. *MAKE FASHION BETTER*. Retrieved from <https://www.makefashionbetter.com/blog/shein-what-you-need-to-know-about-the-brands-social-and-environmental-impact>
- 47 Williams, D. (2022, April 10). Shein: The unacceptable face of throwaway fast fashion. *The Guardian*. Retrieved from <https://www.theguardian.com/fashion/2022/apr/10/shein-the-unacceptable-face-of-throwaway-fast-fashion>
- 48 KnowESG. (2023, May 16). Is Shein Environmentally Friendly? *KNOWESG*. Retrieved from <https://www.knowesg.com/featured-article/is-shein-environmentally-friendly>
- 49 McLymore, A., Hall, C., Barrington, L. (2024, April 11). Focus: Rise of fast-fashion Shein, Temu roils global air cargo industry. *Reuters*. Retrieved from <https://www.reuters.com/business/retail-consumer/rise-fast-fashion-shein-temu-roils-global-air-cargo-industry-2024-02-21/#:~:text=According%20to%20data%20aggregated%20by,a%20day%2C%20the%20consultancy%20said.>
- 50 Macola, I. G. & Hawkins, E. (2022, May 2). Fast fashion slammed over cargo plane emissions. *CityAM*. Retrieved from <https://www.cityam.com/fast-fashion-slammed-over-cargo-plane-emissions%EF%BF%BC%EF%BF%BC/>

- 51 Lai, O. (2022, June 9). Fast Fashion Giant Shein Pledged \$50M to Tackle Textile Waste. *Earth.org*. Retrieved from <https://earth.org/fast-fashion-giant-shein-pledges-50m-to-tackle-textile-waste/>
- 52 Britten, F. (2022, June 8). Fast-fashion giant Shein pledges \$15m for textile waste workers in Ghana. *The Guardian*. Retrieved from <https://www.theguardian.com/global-development/2022/jun/08/fast-fashion-giant-shein-pledges-15m-for-textile-waste-workers-in-ghana>
- 53 *Ibid.*
- 54 Baker, J. A. (2023, November 21). Cheap clothes from online retailer Shein from less waste, not low wages: Firm's sustainability chief. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/sustainability/shein-fast-fashion-low-cost-waste-elimination-adam-whinston-sustainability-3935846>
- 55 Shein. (2022, October 17). Shein builds new community destination through Shein Exchange Resale platform. *PR Newswire*. Retrieved from <https://www.prnewswire.com/news-releases/shein-builds-new-community-destination-through-shein-exchange-resale-platform-301650424.html>
- 56 Shoaib, M. (2022, October 18). Shein's new resale programme won't make it any more sustainable. *Vogue Business*. Retrieved from <https://www.voguebusiness.com/sustainability/sheins-new-resale-programme-wont-make-it-any-more-sustainable>
- 57 thredUP. (n.d.). 2023 resale market and Consumer Trend Report. Retrieved from <https://www.thredup.com/resale/#whos-thrifting-and-why>
- 58 Minter, A. (2022, November 3). Shein's Fast-Fashion Waste Problem Won't Be Fixed by Resale. *Bloomberg*. Retrieved from <https://www.bloomberg.com/opinion/articles/2022-11-03/shein-exchange-fast-fashion-resale-won-t-solve-its-waste-problem#xj4y7vzkg>
- 59 Trevisan & Cuonzo. (2024, October 1). Misleading eco-friendly messages: Italian Competition Authority launches an investigation into Shein. *Lexology*. Retrieved from <https://www.lexology.com/library/detail.aspx?g=2ed110a0-c275-447a-86d2-324b4eb76b53>
- 60 Leaver, K. (2023, January 5). Shein's playbook to supply chain domination. *Tech in Asia*. Retrieved from <https://www.techinasia.com/shein-supply-chain-domination>
- 61 Cuofano, G. (2024, June 12). How does SHEIN make money? The SHEIN Business Model Analysis. *FourWeekMBA*. Retrieved from <https://fourweekmba.com/shein-business-model/#:~:text=Ghost%20factories&text=What%20is%20this%3F,-Report%20Ad&text=Instead%20of%20ghost%20kitchens%2C%20SHEIN,exchange%20for%20guaranteed%20consumer%20demand>
- 62 *Ibid.*
- 63 Wu, P. (2021, September 17). The Shady Labor Practices Underpinning Shein's Global Fashion Empire. *Sixth Tone*. Retrieved from <https://www.sixthtone.com/news/1008472>
- 64 *Ibid.*
- 65 *Ibid.*
- 66 *Ibid.*
- 67 *Ibid.*
- 68 *Ibid.*
- 69 *Ibid.*
- 70 *Ibid.*
- 71 Asia Media Centre. (2021, April 7). Xinjiang Cotton: What's the controversy? *Asia Media Centre*. Retrieved from <https://www.asiamediacentre.org.nz/features/xinjiang-cotton-whats-the-controversy/>
- 72 Prasso, S. (2022, November 21). Shein cotton tied to Chinese region accused of forced labor. *Bloomberg*. Retrieved from <https://www.bloomberg.com/news/features/2022-11-21/shein-s-cotton-clothes-tied-to-xinjiang-china-region-accused-of-forced-labor>
- 73 Salaya, S. (2023, February 13). Shein slammed again by US senators over possible use of Xinjiang cotton. *JustStyle*. Retrieved from <https://www.just-style.com/news/shein-slammed-again-by-us-senators-over-possible-use-of-xinjiang-cotton/?cf-view>
- 74 Forrest, F. (2022, June 21). Uyghur Forced Labour Act goes live in the US today - a timeline of events. *Just Style*. Retrieved from <https://www.just-style.com/news/uyghur-forced-labour-act-goes-live-in-the-us-today-a-timeline-of-events/>
- 75 Salaya, S. (2023, February 13). Shein slammed again by US senators over possible use of Xinjiang cotton. *JustStyle*. Retrieved from <https://www.just-style.com/news/shein-slammed-again-by-us-senators-over-possible-use-of-xinjiang-cotton/?cf-view>
- 76 *Ibid.*
- 77 SHEIN. (2022, September). Workplace Health & Safety statement. *SHEIN Group*. Retrieved from <https://www.sheingroup.com/workplace-health-safety-statement/>

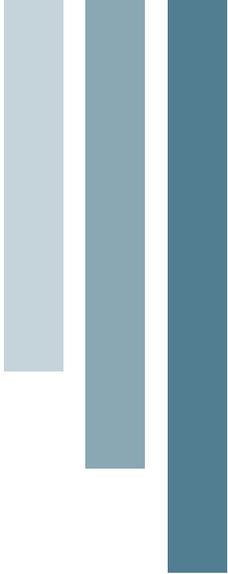
- 78 Koo, A. (2022, August 24). Sus or sustainable: How Shein's fast fashion business model and ESG concerns are affecting its valuation. *DollarsAndSense.sg*. Retrieved from <https://dollarsandsense.sg/sus-sustainable-sheins-fast-fashion-business-model-esg-concerns-affecting-valuation/>
- 79 Wu, P. (2022, February 8). The shady labor practices underpinning Shein's Global Fashion Empire. *SixthTone*. Retrieved April 13, 2023, from <https://www.sixthtone.com/news/1008472>
- 80 *Ibid.*
- 81 *Ibid.*
- 82 Tan, C. (2022, December 6). Shein invests US\$15m into improving factories' conditions after unethical claims. *Marketing Interactive*. Retrieved from <https://www.marketing-interactive.com/shein-invests-us15m-into-improving-factories-conditions-after-unethical-claims>
- 83 Inside the Shein machine. (n.d.). *Channel 4*. Retrieved from <https://www.channel4.com/programmes/inside-the-shein-machine-untold>
- 84 Jones, L. (2021, November 13). Shein suppliers' workers doing 75-hour week, finds probe. *BBC News*. Retrieved from <https://www.bbc.com/news/business-59245708>
- 85 Ethical Trading Initiative. (n.d.) Briefing: Eti revised working hours clause and Chinese law - ethical trade. Retrieved from https://www.ethicaltrade.org/sites/default/files/shared_resources/china_working_hours_briefing.pdf
- 86 SHEIN Group. (2023, August 21). H1 2023 wage investigation at SHEIN's manufacturing suppliers. Retrieved from <https://www.sheingroup.com/corporate-news/company-updates/h1-2023-wage-investigation-at-sheins-manufacturing-suppliers/>
- 87 SHEIN Group. (2024, February 21). Shein's supplier community empowerment program (SCEP) gains traction in 2023. Retrieved from <https://www.sheingroup.com/corporate-news/company-updates/sheins-supplier-community-empowerment-program-scep-gains-traction-in-2023/>
- 88 Silva, J. (2024, August 23). Shein reveals child labour cases at suppliers. *BBC*. Retrieved from <https://www.bbc.com/news/articles/c4glzzdd88lo>
- 89 Bicker, L. (2025, January 13). The truth behind you \$12 dress: inside the Chinese factories fuelling Shein's success. *BBC*. Retrieved from <https://www.bbc.com/news/articles/cdrylgvr77jo>
- 90 McLymore, A. (2024, June 25). Shein is facing an EU copyright rule. What is at stake? *Reuters*. Retrieved from <https://www.reuters.com/markets/deals/what-is-stake-china-founded-e-commerce-giant-shein-eu-rule-looms-2024-06-19/>
- 91 Ferrer, M. (2022, October 17). How are Shein Hauls Making our planet unlivable? *euronews*. Retrieved from <https://www.euronews.com/green/2022/10/17/how-are-shein-hauls-making-our-planet-unlivable>
- 92 Hamilton, A. (2023, May 24). Shein stealing designs: 5 times Shein copied indie fashion designers. *Eco Club*. Retrieved from <https://ecoclubofficial.com/shein-stealing-designs-independent-fashion-brands/>
- 93 Deppen, L. (2024, 13 November). Shein will continue to face RICO charges in copyright infringement lawsuit. *Fashiondive*. Retrieved from <https://www.fashiondive.com/news/shein-rico-copyright-infringement-lawsuit/732787/>
- 94 Silberstein, N. (2024, 15 April). Shein accused of 'industrial-scale' copyright infringement in new class action lawsuit. *Retail Touchpoints*. Retrieved from <https://www.retailtouchpoints.com/topics/market-news/shein-accused-of-industrial-scale-copyright-infringement-in-new-class-action-lawsuit>
- 95 Lal, K. (2021, December 29). How Shein got away with daylight robbery in 2021. *Dazed*. Retrieved from <https://www.dazeddigital.com/fashion/article/55146/1/shein-fast-fashion-exploitation-plagiarism-independent-designers-copy-aliexpress>
- 96 The Straits Times. (2024, November 18). Shein sued by H&M for copyright infringement in Hong Kong. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/shein-sued-by-hm-for-copyright-infringement-in-hong-kong>
- 97 Fonrouge, G. (2023, 19 October). Shein opens up about forced labor, data privacy as it looks to clear key hurdles before possible U.S. IPO. *CNBC*. Retrieved from <https://www.cnbc.com/2023/10/19/shein-ipo-fast-fashion-brand-must-clear-hurdles-before-going-public.html>
- 98 Crunchbase. (n.d.). Meng lian—Crunchbase person profile. Retrieved from <https://www.crunchbase.com/person/meng-lian-d9f4>
- 99 Crunchbase. (n.d.). Xiaodong chen—Crunchbase person profile. Retrieved from <https://www.crunchbase.com/person/xiaodong-chen-8f4c>
- 100 Crunchbase. (n.d.). Yangtian xu—Founder @ shein—Crunchbase person profile. Retrieved from <https://www.crunchbase.com/person/yangtian-xu>

- 101 Chan, J. (2020, August 12). Shein rise – China’s most mysterious multibillion dollar company. *Firmknow*. Retrieved from <https://www.firmknow.com/shein-rise-chinas-most-mysterious-multibillion-dollar-company/>
- 102 Crunchbase. (n.d.). Yangtian xu—Founder @ shein—Crunchbase person profile. Retrieved from <https://www.crunchbase.com/person/yangtian-xu>
- 103 Ganti, A. (2022, May 31). *Venture capitalists definition: Who are they and what do they do?* Investopedia. Retrieved from <https://www.investopedia.com/terms/v/venturecapitalist.asp>
- 104 Halliday, S. (n.d.) Shein London listing may be non-starter say newspapers, but FT says paperwork has been filed. *Fashion Network*. Retrieved from <https://www.fashionnetwork.com/news/Shein-london-listing-may-be-non-starter-say-newspapers-but-ft-says-paperwork-has-been-filed,1644425.html>
- 105 General Atlantic. (n.d.). *About Us: General Atlantic*. Retrieved from <https://www.generalatlantic.com/about-us/>
- 106 Greenwood. (n.d.). *About Us – Greenwood Asset Management*. Retrieved from <https://www.greenwoodsasset.com/about/index>
- 107 IDG Capital. (n.d.). *IDG capital: A leading investment firm*. Retrieved from <https://en.idgcapital.com/>
- 108 Jafco Asia. (n.d.) Home page. Retrieved from <https://jafcoasia.com/>
- 109 HSG. (n.d.) About Us. Retrieved from <https://www.hsgcap.com/about-us/>
- 110 Tiger Global. (n.d.). Tiger Global Management, LLC. Retrieved from <https://www.tigerglobal.com/>
- 111 Mubadala. (n.d.). About Mubadala. Retrieved from <https://www.mubadala.com/en/who-we-are/about-mubadala>
- 112 Crunchbase. (n.d.). Shein - funding, financials, valuation & investors. Retrieved from https://www.crunchbase.com/organization/shein-b79e/company_financials
- 113 Crunchbase. (n.d.). Series A - shein - 2013-01-01 - crunchbase funding round profile. Retrieved from https://www.crunchbase.com/funding_round/shein-b79e-series-a--8f310bfc
- 114 Crunchbase. (n.d.). Series B - shein - 2015-01-01 - crunchbase funding round profile. Retrieved from https://www.crunchbase.com/funding_round/shein-b79e-series-b--fc5084be
- 115 Crunchbase. (n.d.). Series C - shein - 2018-01-01 - crunchbase funding round profile. Retrieved from https://www.crunchbase.com/funding_round/shein-b79e-series-c--e40698f3
- 116 Crunchbase. (n.d.). Series D - shein - 2019-01-01 - crunchbase funding round profile. Retrieved from https://www.crunchbase.com/funding_round/shein-b79e-series-d--1d3be016
- 117 Crunchbase. (n.d.). Series E - shein - 2020-08-01 - crunchbase funding round profile. Retrieved from https://www.crunchbase.com/funding_round/shein-b79e-series-e--417f7b0b
- 118 Crunchbase. (n.d.). Series F - shein - 2022-04-04 - crunchbase funding round profile. Retrieved from https://www.crunchbase.com/funding_round/shein-b79e-series-f--ce09239a
- 119 Crunchbase. (n.d.). Private Equity Round – Shein – 2023-05-17 – Crunchbase Funding Round Profile. Retrieved from https://www.crunchbase.com/funding_round/shein-b79e-private-equity--77c079c1
- 120 Amornsiripanitch, N., Gompers, P., & Xuan, Y. (2019, August 15). More than money: Venture capitalists on board. *The Harvard Law School Forum on Corporate Governance*. Retrieved from <https://corpgov.law.harvard.edu/2019/08/15/more-than-money-venture-capitalists-on-board/>
- 121 Amornsiripanitch, N., Gompers, P. A., & Xuan, Y. (2019, July 10). More than money: Venture capitalists on boards. *The Journal of Law, Economics, and Organization*, 35(3), 513–543. <https://doi.org/10.1093/jleo/ewz010>
- 122 Bonini, S., Alkan, S., & Salvi, A. (2011, October 28). The effects of venture capitalists on the governance of firms. *Corporate Governance: An International Review*, 20(1), 21–45. <https://onlinelibrary.wiley.com/doi/10.1111/j.1467-8683.2011.00888.x>
- 123 *Ibid.*
- 124 *Ibid.*
- 125 Indeed Editorial Team. (2022, December 13). What does a venture capitalist do? (and how to become one). *Indeed*. Retrieved from <https://www.indeed.com/career-advice/finding-a-job/what-does-a-venture-capitalist-do>
- 126 *Ibid.*
- 127 *Ibid.*
- 128 Fleitmann, M. & Patel, U. (2023, June 23). Deep Dive: VC Value Add. *VC Stack*. Retrieved from <https://www.vcstack.io/blog/vc-value-add>

- 129 *Ibid.*
- 130 Amornsiripanitch, N., Gompers, P. A., & Xuan, Y. (2019, July 10). More than money: Venture capitalists on boards. *The Journal of Law, Economics, and Organization*, 35(3), 513–543. <https://doi.org/10.1093/jleo/ewz010>
- 131 *Ibid.*
- 132 Donnelly, S. (2019, July 24). Addressing governance issues for venture capital & private equity firms: Diligent insights. *Diligent Corporation*. Retrieved from <https://www.diligent.com/en-au/insights/private-equity/addressing-governance-issues-venture-capital-private-equity-firms/>
- 133 *Ibid.*
- 134 Chow, M., & Oon, L. (2022, July 13). The role of ESG considerations in Venture Capital Investments. *Bird & Bird*. Retrieved from <https://www.twobirds.com/en/insights/2022/global/the-role-of-esg-considerations-in-venture-capital-investments>
- 135 Indeed Editorial Team. (2022, December 13). What does a venture capitalist do? (and how to become one). *Indeed*. Retrieved from <https://www.indeed.com/career-advice/finding-a-job/what-does-a-venture-capitalist-do>
- 136 Amornsiripanitch, N., Gompers, P. A., & Xuan, Y. (2019, July 10). More than money: Venture capitalists on boards. *The Journal of Law, Economics, and Organization*, 35(3), 513–543. <https://doi.org/10.1093/jleo/ewz010>
- 137 Indeed Editorial Team. (2022, December 13). What does a venture capitalist do? (and how to become one). *Indeed*. Retrieved from <https://www.indeed.com/career-advice/finding-a-job/what-does-a-venture-capitalist-do>
- 138 *Ibid.*
- 139 Donnelly, S. (2019, July 24). Addressing governance issues for venture capital & private equity firms: Diligent insights. *Diligent Corporation*. Retrieved from <https://www.diligent.com/en-au/insights/private-equity/addressing-governance-issues-venture-capital-private-equity-firms/>
- 140 *Ibid.*
- 141 Nelson Center for Entrepreneurship. (n.d.). Good Governance in Venture Capital. Retrieved from <https://entrepreneurship.brown.edu/good-governance-venture-capital/>
- 142 *Ibid.*
- 143 Geffon, J., & Sagot, J. (2020, April 15). Navigating conflicts of interest as a corporate venture-appointed director. *Fenwick & West LLP*. Retrieved from <https://www.fenwick.com/insights/publications/navigating-conflicts-of-interest-as-a-corporate-venture-appointed-director>
- 144 Masulis, R. W., & Nahata, R. (2010, December 22). Venture Capital Conflicts of Interest: Evidence from acquisitions of Venture-backed firms. *Journal of Financial and Quantitative Analysis*, 46(02), 395–430. <https://doi.org/10.1017/s0022109010000827>
- 145 Faithfull, M. (2022, February 21). Singapore offers IPO bridge to U.S.. as Shein ramps up presence. *Forbes*. Retrieved from <https://www.forbes.com/sites/markfaithfull/2022/02/17/singapore-offers-ipo-bridge-to-us-as-shein-ramps-up-presence/?sh=54638a151070>
- 146 Kaur, D. (2022, January 26). Shein IPO: Will the Chinese fashion retailer finally get listed on NYSE this year? *Tech Wire Asia*. Retrieved from <https://techwireasia.com/2022/01/shein-ipo-will-the-chinese-fashion-retailer-finally-get-listed-on-nyse-this-year/>
- 147 Lin, C. (2022, February 16). Exclusive: Chinese fashion firm Shein on Singapore hiring spree as it shifts key assets there. *Reuters*. Retrieved from <https://www.reuters.com/markets/us/exclusive-chinese-fashion-firm-shein-singapore-hiring-sprees-it-shifts-key-assets-2022-02-16/>
- 148 *Ibid.*
- 149 CNBC. (2023, March 8). China's Shein set to raise \$2 billion in new funding round, aims for U.S. IPO later this year, Sources say. *CNBC*. Retrieved from <https://www.cnbc.com/2023/03/09/chinas-shein-set-to-raise-2-billion-in-new-funding-round-reuters.html>
- 150 Faithfull, M. (2022, February 17). Singapore offers IPO bridge to U.S. as Shein ramps up presence. *Forbes*. Retrieved from <https://www.forbes.com/sites/markfaithfull/2022/02/17/singapore-offers-ipo-bridge-to-us-as-shein-ramps-up-presence/>
- 151 Fu, Z. (2022, February 17). Could Shein revive its IPO plan as Key Assets Shift to Singapore? *PingWest*. Retrieved from <https://en.pingwest.com/a/9844>
- 152 Wu, K., Potkin, F., & Murdoch, S. (2022, January 25). EXCLUSIVE Chinese fashion retailer SHEIN revives plan for New York listing in 2022-sources. *Reuters*. Retrieved from <https://www.reuters.com/markets/europe/exclusive-chinese-fashion-retailer-shein-revives-plan-new-york-listing-2022-2022-01-25/>
- 153 Channel NewsAsia. (2025, May 30). Shein working towards Hong Kong listing after London IPO stalls: Sources. *Channel NewsAsia*. Retrieved from <https://www.channelnewsasia.com/business/shein-ipo-hong-kong-london-china-regulators-5159686>

- 154 TechNode Feed. (2022, November 3). Shein hires former Bear Stearns vice chairman ahead of IPO. *Technode*. Retrieved from <https://technode.com/2022/11/03/shein-hires-former-bear-stearns-vice-chairman-ahead-of-ipo/>
- 155 *Ibid.*
- 156 Martin, I. (2022, November 2). Chinese fast fashion giant Shein hires former Bear Stearns Deal-maker ahead of IPO. *Forbes*. Retrieved from <https://www.forbes.com/sites/ianmartin/2022/11/02/chinese-fast-fashion-giant-shein-hires-former-bear-stearns-deal-maker-ahead-of-ipo/?sh=8fbb10a1d819>
- 157 Yildirim, E. (2024, June 21). Experts say Shein's U.S. IPO is all but dead. *CNBC*. Retrieved from <https://www.cNBC.com/2024/06/21/shein-us-ipo-is-dead-experts-say.html>
- 158 Meyersohn, N. (2023, May 2). USA: Congress members ask SEC to require Chinese fast-fashion giant Shein certify products are forced labour-free; incl. company comment. *CNN*. Retrieved from <https://www.business-humanrights.org/en/latest-news/usa-congress-members-ask-sec-to-require-chinese-fast-fashion-giant-shein-certify-products-are-forced-labour-free-incl-company-comment/>
- 159 Reuters. (2025, May 28). Shein's pursuit of an IPO: From New York to London to Hong Kong. *Reuters*. Retrieved from <https://www.reuters.com/business/finance/sheins-pursuit-an-ipo-new-york-london-hong-kong-2025-05-28/>
- 160 Zhu, J. & Sen, A. (2024, January 13). Exclusive: Shein seeks China's permission for US IPO -sources. *Reuters*. Retrieved from <https://www.reuters.com/business/retail-consumer/shein-files-with-chinese-regulator-planned-us-float-sources-2024-01-12/>
- 161 *Ibid.*
- 162 Masters, K. (2024, February 16). Exclusive: Rubio urges SEC to block Shein IPO unless China operating risk disclosed. *Reuters*. Retrieved from <https://www.reuters.com/markets/us/rubio-urges-sec-block-shein-ipo-unless-china-operating-risk-disclosed-2024-02-15/>
- 163 The Straits Times. (2024, June 24). Fast-fashion retailer Shein filed for London listing in early June, sources say. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/fast-fashion-retailer-shein-filed-for-london-listing-in-early-june-sources-say>
- 164 Masters, K. (2024, February 16). Exclusive: Rubio urges SEC to block Shein IPO unless China operating risk disclosed. *Reuters*. Retrieved from <https://www.reuters.com/markets/us/rubio-urges-sec-block-shein-ipo-unless-china-operating-risk-disclosed-2024-02-15/>
- 165 Fonrouge, G. (2024, May 13). NRF rejects Shein membership as retailer pursues U.S. IPO. *CNBC*. Retrieved from <https://www.cNBC.com/2024/05/13/nrf-rejects-shein-membership-as-retailer-pursues-us-ipo.html>
- 166 Yildirim, E. (2024, June 21). Experts say Shein's U.S. IPO is all but dead. *CNBC*. Retrieved from <https://www.cNBC.com/2024/06/21/shein-us-ipo-is-dead-experts-say.html>
- 167 The Straits Times. (2024, June 24). Fast-fashion retailer Shein filed for London listing in early June, sources say. *The Straits Times*. Retrieved from <https://www.straitstimes.com/business/companies-markets/fast-fashion-retailer-shein-filed-for-london-listing-in-early-june-sources-say>
- 168 Reuters. (2024, June 27). UK human rights group launches campaign to stop Shein's potential London IPO. *Reuters*. Retrieved from <https://www.reuters.com/business/retail-consumer/uk-human-rights-group-launches-campaign-stop-sheins-potential-london-ipo-2024-06-26/>
- 169 *Ibid.*
- 170 Reuters. (2024, July 18). Campaigners urge UK government to block Shein's London IPO. *Reuters*. Retrieved from <https://www.reuters.com/business/retail-consumer/campaigners-call-uk-government-block-sheins-london-listing-2024-07-17/>
- 171 SHEIN. (2024, December 6). SHEIN Announces Establishment of Global External ESG Advisory Board (EEAB) and Regional Strategy and Corporate Responsibility Committees. Retrieved from <https://www.sheingroup.com/corporate-news/shein-announces-establishment-of-global-external-esg-advisory-board-eeab-and-regional-strategy-and-corporate-responsibility-committees/>
- 172 *Ibid.*
- 173 *Ibid.*
- 174 *Ibid.*
- 175 Reuters. (2025, January 11). Senior UK lawmaker flags concerns about Shein to LSE and regulator. *Reuters*. Retrieved from <https://www.reuters.com/business/retail-consumer/senior-uk-lawmaker-flags-concerns-about-shein-lse-regulator-2025-01-10/>
- 176 Tech in Asia. (2025, February 17). Shein plans to cut valuation to \$30b for London IPO: sources. *Tech in Asia*. Retrieved from <https://www.techinasia.com/news/shein-plans-cut-valuation-30b-london-ipo-sources>

- 177 Zhu, J. & Reid, H. (2025, April 11). Exclusive: Shein gains UK approval for London IPO, awaits China nod, sources say. *Reuters*. Retrieved from <https://www.reuters.com/business/retail-consumer/shein-gains-uk-approval-london-ipo-awaits-china-nod-sources-say-2025-04-11/#:~:text=HONG%20KONG%2FLONDON%2C%20April%2011,with%20knowledge%20of%20the%20matter>
- 178 Zhu, J., Sayegh, H. A. & Reid, H. (2025, May 28). Exclusive: Shein working towards Hong Kong listing after London IPO stalls, say sources. *Reuters*. Retrieved from <https://www.reuters.com/business/finance/shein-working-towards-hong-kong-listing-after-london-ipo-stalls-say-sources-2025-05-28/>
- 179 *Ibid.*



ASX: GAME OF CHESS*

Case overview

In 2016, the Australian Securities Exchange (ASX) announced plans to upgrade its ageing Clearing House Electronic Subregister System (CHES) settlement system using blockchain-style technology.¹ However, the ambitious upgrade soon came under increased scrutiny. Despite efforts over several years, the initiative was eventually scrapped in 2022 after approximately AU\$250 million had already been spent.²

In 2024, the Australian Securities and Investments Commission (ASIC) launched legal action against ASX, alleging that the exchange had misled the public about the project's progress and, in doing so, compromised market integrity and investor trust.³ ASIC itself faced criticism from a Senate inquiry for failing to anticipate the full extent of the issues surrounding the CHES upgrade.⁴

The failed project exposed significant shortcomings in ASX's planning, leadership, and internal processes. It also raised concerns from key regulators such as ASIC and the Reserve Bank of Australia (RBA), who questioned the exchange's governance and risk management frameworks.⁵ The debacle damaged ASX's reputation, left market participants without the long-promised improvements, and forced the company to explore alternative options to upgrade CHES, which remains overdue for replacement.

The objective of this case study is to facilitate discussion of issues such as factors contributing to repeated delays in the CHES replacement project; board structure, composition and responsibilities; remuneration policies; risk management; dual roles of market operator and regulator for a stock exchange; and regulatory oversight of a stock exchange.

ASX at a glance

ASX was created by the merger of the Australian Stock Exchange and the Sydney Futures Exchange (SFE) in July 2006.⁶ It operates at the nexus of Australia's financial system, balancing its roles as a market operator, clearing house, and payments facilitator while enforcing the rules that underpin market fairness and corporate accountability.⁷ More than a mere trading platform, ASX functions as a linchpin of economic stability, ensuring that listed companies and market participants adhere to rigorous governance standards and operational protocols.⁸

* This case study was originally prepared by Keegan Lum, Li Yuanyuan, Loh Wei Ping, and Low Zi Ling. It has been edited by Rachel Tang Kai Xuan under the supervision of Professor Mak Yuen Teen, with additional content added. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

ASX's licenses to provide clearing and settlement facilities are held by four of its subsidiary companies – ASX Clear Pty Limited (ASX Clear), ASX Clear (Futures) Pty Limited (ASX Clear (Futures)), ASX Settlement Pty Limited (ASX Settlement), and Austraclear Limited (Austraclear) (collectively, the CS Facility Licensees). There are two intermediate holding companies for the CS Facility Licensees, ASX Clearing Corporation Limited (ASX Clearing Corporation) and ASX Settlement Corporation Limited (ASX Settlement Corporation). The boards of the CS Facility Licensees and their intermediary holding companies are collectively referred to as the CS Boards.⁹

ASX's operations are fortified by a robust regulatory ecosystem. The Australian Securities and Investment Commission (ASIC) oversees trading venues and monitors the exchange's own compliance as a publicly-listed entity, while Reserve Bank of Australia (RBA) ensures systemic stability and the compliance of licensed clearing and settlement facilities, including those operated by ASX, with RBA's Financial Stability Standards.¹⁰

ASX's shareholders

According to ASX's 2024 Annual Report, its largest direct shareholders are UniSuper Limited (12.40%) and Australian Super Pty Limited (9.55%), two of Australia's biggest superannuation funds managing the retirement savings of millions of Australians.¹¹ Alongside them, global investment giants, BlackRock Group (6.05%) and Vanguard Group (5.03%) also hold significant stakes.¹²

Beyond these direct shareholdings, a substantial portion of ASX's shares sit with nominee companies, which act as intermediaries, holding shares on behalf of other investors. Among them, HSBC Custody Nominees (22.90%) and J.P. Morgan Nominees Australia (20.77%) hold large portions of its stock, representing shares held on behalf of investment funds and pension schemes.¹³

Listed stock exchanges

Stock exchanges play a central role in financial markets by facilitating capital raising for companies and enabling the trading of securities for investors. As of December 2024, there were 2,116 listed issuers on ASX with a total market capitalisation of about US\$1.89 trillion.¹⁴ Within Asia, it sits between the Hong Kong Stock Exchange, which is about twice as large with a total market capitalisation of US\$4.37 trillion and around 2,600 listed issuers, and the Singapore Exchange (SGX), which is roughly a third of its size, with a total market capitalisation of US\$647.3 billion and 615 listings.¹⁵ On a global scale, it is relatively small compared to the world's largest exchanges, such as the New York Stock Exchange (NYSE), which stands at almost US\$36 trillion.¹⁶ Nonetheless, ASX remains a key player in the Asia-Pacific region.

In recent decades, many major exchanges, including ASX, NYSE, London Stock Exchange (LSE), Nasdaq, HKEX and SGX, have themselves become publicly-listed companies, often assuming dual roles. As listed entities, they are expected to deliver shareholder value and profitability. Yet, they often also enforce rules, uphold market integrity, and act in the public's interest. This dual role has raised questions in terms of ASX's governance, and how effectively ASX can balance commercial objectives with its regulatory responsibilities.

From mutual to market-owned: ASX's transformation

In 1998, ASX made a bold move. It demutualised and became a for-profit, publicly listed company, with an overwhelming 96% of its members voting in favor of the transition.¹⁷ This was a historic shift, as it became the first stock exchange in the world to list itself on its platform.¹⁸

Before this, ASX operated as a mutual organisation, meaning it was owned by its members, stockbrokers who used the exchange for trading. While this model gave members direct control, it posed two major challenges to ASX's evolution with the financial industry.

The first was slow decision-making. Any major change required broad member approval, which often resulted in delays.¹⁹ In a fast-moving financial landscape, this lack of agility made it difficult for ASX to respond to market shifts. Becoming a publicly-listed company allowed ASX to make faster and more decisive business moves without needing consensus from hundreds of members.²⁰

The second challenge was limited access to capital. As a mutual company, ASX was funded almost entirely by membership fees, restricting its ability to invest in technology, enhance trading infrastructure, and grow its market presence. Listing on the stock exchange allowed ASX to issue shares, attract external investors, and raise the capital needed to upgrade and improve its trading systems. By going public, ASX transformed itself into a more competitive, financially flexible, and globally connected exchange.²¹ However, key regulators, including RBA and ASIC, have voiced concerns over this dual role giving rise to conflict of interest, especially in relation to the Clearing House Electronic Subregister System (CHES) incident.²²

ASX-ential role

ASX plays a regulatory role by monitoring and enforcing market participants' compliance with listing and operating rules. If ASX-listed entities are found to be non-compliant with listing rules, ASX may exercise its enforcement powers to restrict, suspend, or terminate participants' rights to trading, or remove the participant.²³

ASX and ASIC work together to ensure ASX-listed entities' compliance with continuous disclosure obligations. They jointly make decisions under the ASX Appeal Tribunal consisting of both members from ASX and ASIC.^{24,25}

ASX has no power to investigate any breaches or enforce penalties under the Corporations Act. If ASX suspects that a participant has committed a significant contravention of the operating rules or the Corporations Act, it is required to notify ASIC with details of the contravention. ASIC is empowered to take criminal or other regulatory action in relation to the suspected breach.²⁶

ASX is required to have a conflict management policy in place to ensure independence of its role in supervising listed companies. In the conflict management policy, conflicts must be disclosed and controlled, with an attestation of their understanding of responsibilities listed to be submitted every year. The Audit and Risk Committee (ARC) of ASX oversees the policy. Non-compliance may result in disciplinary action or termination of employment.²⁷

ASIC

ASIC is Australia's independent statutory regulator, set up under the Australian Securities and Investments Commission Act 2001 (ASIC Act). It serves to maintain, facilitate and improve the performance of the financial system and the entities in it,²⁸ which include financial services businesses, consumer credit businesses, and authorised financial markets.²⁹ Its powers include the registration and licensing of financial services providers; regulation of financial market integrity; investigation of suspected breaches; and enforcement of civil and criminal penalties.³⁰

As ASX is listed on its own exchange, ASIC steps in to ensure ASX's compliance with the ASX listing rules to prevent a conflict of interest from arising.³¹

The wrong opening

“This is a failure of Business Technology Software 101.”

– *The Australian Financial Review*³²

CHES has been a critical platform supporting Australia's share trading infrastructure since it was introduced in 1995. Replacing paper-based processes with electronic share ownership was a significant innovation at that

time as it greatly improved how trades were cleared and settled.³³ Over time, however, the CHES system became obsolete. As technology progressed and industry expectations evolved, the platform struggled to keep pace. In 2015, ASX acknowledged the growing risks of relying on legacy infrastructure and began evaluating options for its replacement, initiating what would become one of the most ambitious and controversial technology upgrades in its history.³⁴

ASX experienced two major outages of its clearing system in 2016 and 2017. On 19 September 2016, there was a major disruption to the operation of ASX's equity trading system, ASX Trade, which halted trade execution for most of the day.³⁵ A power outage on 15 February 2017 resulted in the unavailability of ASX's central security depository, Austraclear, for around half an hour and impacted ASX's ability to recover its CHES system for several weeks if there had been a disruption to its primary site.³⁶

These incidents raised questions over ASX's risk handling approach.³⁷ In response, the market operator acknowledged weaknesses in its Enterprise Risk Management (ERM) framework and appointed Hamish Treleaven (Treleaven) as Chief Risk Officer (CRO) in March 2017 to strengthen its risk oversight.³⁸

At the request of ASIC and RBA, ASX engaged KPMG in 2017 to conduct an independent review of its technology governance and operational risk management. The review found that risk management practices were not fully embedded across the organisation. It was observed that ASX's risk appetite framework lacked sufficient detail, especially around the setting of clear risk tolerance levels, to effectively guide management in day-to-day decision-making.³⁹

Tactical blunder

In December 2017, ASX unveiled plans to replace CHES with a new system built on distributed ledger technology (DLT), becoming the first major stock exchange to pursue a blockchain-based overhaul of its core clearing and settlement platform.⁴⁰ To deliver the system, it partnered with United States-based blockchain firm Digital Asset (DA) to build a platform that promised enhanced security, operational efficiency, and scalability.⁴¹

ASIC required ASX to conduct reviews to monitor its progress for the CHES replacement, which prompted ASX to engage Ernst & Young (EY) to evaluate the project on multiple occasions since 2019. The initial review in 2019 focused on governance compliance and only moved on to evaluate the project's feasibility in the next four years.⁴²

In March 2019, Deloitte issued a report warning of risks in ASX's CHES replacement initiative. The report identified a critical initial failure, which was the absence of a comprehensive business case outlining ASX's future expansion objectives and plans. This should have included clear non-functional requirements, such as security, integration, resilience, performance, and scalability. The Board dismissed the report as misleading or biased due to perceived conflicts of interest.⁴³ Peter Hiom (Hiom), then ASX Deputy Chief Executive Officer (Deputy CEO) and the lead responsible for the CHES replacement project, criticised the report, alleging that Deloitte's ownership of shares in ASX's competitors compromised its independence.⁴⁴

In 2019, ASX engaged VMware, a technology partner, to design the CHES ledger component.⁴⁵

Challenges to the CHES replacement project began to emerge in 2020. In March, ASX announced a delay to the project's initial April 2021 launch, citing disruptions caused by the COVID-19 pandemic and the need for further technical refinements.⁴⁶ This led to a revised go-live date of April 2023.⁴⁷ Nonetheless, ASX's share price reached an all-time high of AU\$95.83 in December 2021.⁴⁸ On 10 February 2022, ASX reassured the public that the CHES replacement was still "on track" to meet its goals.⁴⁹

However, on 11 May 2022, ASX reported that the April 2023 go-live date was no longer viable.⁵⁰ In September 2022, ASX brought in Accenture to carry out a fresh independent review of the CHES replacement. The review

identified significant issues. The CHESS software was only 63% complete; there was inadequate assessment of critical non-functional aspects, such as capacity, availability, and scalability; and there were project governance and vendor management issues between ASX and its delivery partner DA.⁵¹

Two months later, in November 2022, ASX announced that it would abandon the project and record a pre-tax write-down of AU\$245 million.⁵² By 3 January 2023, its share price had plummeted to AU\$66.63.⁵³

Grandmasters or amateurs?

“The ASX board and management are not very good at technology governance – that is the fundamental problem.”

– *Patrick McConnell, former Chief Information Officer (CIO) at SFE*⁵⁴

Prior to 2022, the Board had established four Board Committees – the ARC, Nomination Committee (NC), People and Culture Committee (PCC) and Remuneration Committee (RC).⁵⁵

The ARC oversees disclosures, financial accounting and corporate reporting. Through its oversight of external and internal audits, it helps ensure that ASX maintains robust risk management and internal controls. It also collaborates with the PCC to evaluate executive performance and remuneration, particularly for key leadership positions such as the Chief Financial Officer (CFO), CRO, Internal Audit (IA) team, and Chief Compliance Officer (CCO).

The NC functions as the architect of ASX’s leadership team. Its main role lies in reviewing and making recommendations to ASX on nomination and selection processes as well as ensuring desirable competencies and experience, diversity and succession planning, performance evaluations and director independence assessments. It is also responsible for determining if changes are required for the Board’s skills matrices.

The PCC shapes ASX’s remuneration framework. It establishes variable reward plans, and is responsible for ASX’s corporate culture as well as recruitment, training and development, diversity objectives and people and remuneration related to corporate reporting.

The RC is responsible for evaluating specific aspects of ASX’s remuneration and incentive framework, such as succession planning, recruitment, retention, and termination strategies. The RC also considers the remuneration packages of ASX Group directors and other ASX employees, including the Managing Director (MD) and CEO, Deputy CEO, Group Executives, and General Managers. RC members have direct access to ASX senior management and can seek independent expertise.⁵⁶

In 2017 – the year after ASX announced the CHESS upgrade – the Board consisted of 10 directors, with nine independent directors (IDs) and one executive director (ED).⁵⁷ Dominic Stevens (Stevens) was appointed as MD and CEO of ASX in August 2016. He previously served as CEO of Challenger Limited and held senior positions at Bankers Trust Australia.⁵⁸

Rick Holliday-Smith (Holliday-Smith), an ID since 2006, was appointed as Chairman of ASX in March 2012. He chaired the NC and was a member of the ARC and RC. He previously held leadership positions in two banks and a futures and options trading firm, and concurrently served as a director of Servcorp Limited and a member of the Macquarie University Faculty of Business and Economics Advisory Board.⁵⁹

Yasmin Allen (Allen) was appointed as an ID in February 2015. She was also appointed as a member of the ARC. She formerly served as Vice President at Deutsche Bank, a director at ANZ Investment Bank, and an associate director at HSBC Group. She concurrently served as a director of Cochlear Limited, Santos Limited, the George Institute for Global Health, the National Portrait Gallery, and as a member of the Australian Government Takeovers Panel.⁶⁰

Melinda Conrad (Conrad) joined as an ID in August 2016. She previously served as a strategy and marketing adviser, an executive with Colgate-Palmolive, and held a number of directorships, including at Caltex Australia Limited, OFX Group Limited, and David Jones Limited. She concurrently served as a director of the Centre for Independent Studies and the George Institute for Global Health, and a member of the ASIC Director Advisory Panel.⁶¹

Dr. Ken Henry AC (Henry) was appointed as an ID in February 2013. He served as a member of the ARC. He has extensive experience as an economist in Australia and overseas, and has worked as a senior policy adviser to successive Australian governments. Prior to his directorship at ASX, he served as the Secretary of the Federal Department of the Treasury from 2001 to 2011. Among other positions, he concurrently served as Chairman of National Australia Bank Limited, and Governor of the Committee for Economic Development of Australia (CEDA).⁶²

Peter Marriott (Marriott) joined as an ID in July 2009. He was also appointed as Chairman of the ARC. He possesses over 30 years of experience in senior management roles in the finance industry, spanning international banking, finance and auditing. Prior to his appointment at ASX, he was Chief Financial Officer of Australia and New Zealand Banking Group Limited (ANZ). He concurrently served as Chairman of Austraclear, and a director on the CS Boards.⁶³

Heather Ridout AO (Ridout) was appointed as an ID in August 2012. She chaired the RC and served as a member of the NC. She was formerly Chief Executive of the Australian Industry Group, a major national employer organisation, and served as a board member on the RBA board and the Prime Minister's Taskforce on Manufacturing, among other appointments. She is a member of the ASIC External Advisory Panel.⁶⁴

Damian Roche (Roche) was appointed as an ID in August 2014. Prior to his appointment, he was a member of the global Corporate and Investment Bank Operating Committee and served as Head of Markets and Investor Services, Sales and Distribution for Asia Pacific for J.P. Morgan,⁶⁵

Peter Warne (Warne) became an ID on the Board in July 2006. He served as a member of the ARC, NC and RC. He was previously a director of SFE Corporation Limited from 2000 to 2006. He concurrently served as a director of Securities Exchanges Guarantee Corporation and NSW Treasury Corporation, Chairman of Macquarie Bank Limited, and Chairman of OFX Group Limited, among other appointments.⁶⁶

Robert Priestley (Priestley) was appointed as an ID in May 2017. He formerly served as CEO and Non-Executive Chairman of J.P. Morgan Australia & New Zealand. He was director and Chairman of the Australian Financial Markets Association (AFMA), a member of the Business Council of Australia and a director of the Australian Business and Community Network (ABCN). He concurrently served as a director of the Banking and Finance Oath, a Council member of the ABCN and a member of the Tennis NSW Corporate Advisory Board.⁶⁷

New moves

In 2018, Priestley resigned from the Board amidst a court case into alleged cartel activity involving J.P. Morgan.⁶⁸ He was succeeded by Peter Nash (Nash) in June 2019. Nash previously served as a Senior Partner with KPMG and as National Chairman of KPMG Australia. His previous appointments include member of the Business Council of Australia and member of its Economic and Regulatory Committee. He concurrently holds a number of positions, including Chairman of Johns Lyng Group Limited and a non-executive director (NED) of Westpac Banking Corporation and Mirvac Group Limited.⁶⁹

In January 2020, Rob Woods was appointed as an ID and subsequently as a member of the ARC. He was previously the Chairman of ASX Clear Pty Limited and ASX Settlement Pty Limited. He was Chief Executive, Strategy at Challenger Limited, and had previously served as Chief Executive of Challenger's Funds Management and Asset Management businesses.⁷⁰

On 30 September 2020, ASX announced Warne's retirement from the Board.⁷¹ Holliday-Smith retired from the Board on 21 April 2021 and Roche was appointed as Chairman.⁷²

In 2022, three new directors were appointed – David Curran (Curran) and Dr. Heather Smith (Smith) as IDs, and Helen Lofthouse (Lofthouse) as the MD and CEO of ASX.

Curran was appointed in March 2022. With over 30 years of combined experience in finance and technology, he has led digital transformation initiatives and large-scale projects within the Australian banking and financial services, with the focus of improving customer engagement and operational outcomes. He was formerly Westpac's Group CIO and previously held executive technology roles at the Commonwealth Bank of Australia.⁷³

Smith joined in June 2022. She has two decades of working experience at senior levels in the Australian Public Service. She previously served as Secretary of the Department of Industry, Innovation and Science, Secretary of the Department of Communications and the Arts, and held senior positions in the departments of Prime Minister and Cabinet.⁷⁴

Lofthouse commenced her role in August 2022. Prior to joining ASX, she held the position of MD at UBS, overseeing the global OTC clearing business, and worked at J.P. Morgan in London across futures and OTC clearing, derivatives prime brokerage, credit markets, and cash equities.⁷⁵

The pawns

Hiom, ASX's former Deputy CEO, oversaw the initial phase of the CHES replacement. Hiom managed the development of all ASX business divisions including Listings and Issuer Services, Trading Services, Derivatives and OTC Markets, and Equity Post-Trade Services, which encompassed the CHES replacement program involving distributed ledger technology implementation. He joined ASX in 2006 following the merger of the Australian Stock Exchange and SFE Corporation, bringing with him prior leadership experience from business development roles at SFE and Austraclear. He also served as a NED at both Yieldbroker and DA, ASX's technology partner.⁷⁶

In 2021, Tim Hogben (Hogben) succeeded Hiom in overseeing the CHES replacement.⁷⁷ Hogben began his career at the exchange in 2000, assuming various roles including Chief Operating Officer (COO) and Chair of the Crisis Management Team. He also served as an executive sponsor of ASX's culture and heritage networking group. Before his tenure at ASX, Hogben worked at Bridges Financial Services and the Credit Union Services of Australia.⁷⁸

Porous defences?

On 6 May 2022, ASX established the Technology Committee (TC), and Curran was appointed as the TC Chair. Three other directors – Allen, Conrad, and Nash – were appointed as members.⁷⁹

The TC assists the ASX and CS Boards in fulfilling their oversight and governance responsibilities in relation to ASX Group's technology and data strategies and cyber security risks. Its responsibilities include reviewing and making recommendations on major technology investments and key technology projects proposed by management; conducting periodic review of the methodologies and processes used to implement technology, data and cyber projects; receiving reports from management on the progress and the effectiveness of project and the performance of the technology delivered; receiving reports from management on post-implementation reviews of key technology projects; and overseeing the framework to support continuous improvement in ASX's technology delivery processes generally.⁸⁰

Observers have noted that while the TC's Charter outlines extensive and rigorous responsibilities, Curran is the only Director who possesses relevant experience in digital transformation.

On 9 October 2023, RBA released its annual review of ASX's clearing and settlement facilities.⁸¹ The review highlighted that the Board had not responded in a timely manner to address critical risks, although the TC had flagged ageing technology assets as a concern in 2022.⁸² RBA also pointed to gaps in the information provided to the Board, suggesting that a lack of transparency may have limited its ability to properly question or challenge management.⁸³

Concerns were also raised about the effectiveness of ASX's IA team. An external review found the function to be underdeveloped and facing numerous issues, including a strained relationship with senior management that was deemed to have weakened its effectiveness. Notably, there was a six-month delay in appointing a new General Manager after the previous manager stepped down in late 2022. During this period, a junior staff member filled the role temporarily despite it being a critical time for ASX.⁸⁴

RBA also raised concerns over ASX's prolonged exposure to elevated risk, noting that several risk areas were not being managed effectively. One of the key contributing factors to this elevated risk exposure was ASX's heavy reliance on external vendors to support its clearing and settlement operations. An internal audit found limited awareness and a lack of application of its vendor management framework across the projects reviewed.⁸⁵ While ASX had appointed DA, a start-up firm, as its technology partner in January 2016 after a purportedly "robust global" search,⁸⁶ a person involved in the replacement project revealed that DA lacked adequate after-market support and that ASX had chosen the company without properly testing the scalability of its products.⁸⁷

As a result, RBA downgraded its rating of ASX's risk management framework to "partly observed."⁸⁸

ASIC attacks

On 8 February 2024, ASIC issued ASX with an infringement notice in relation to alleged contraventions of the ASIC Market Integrity Rules (Securities Markets) 2017.⁸⁹ A system configuration error had occurred, resulting in the minimum value of a block trade being incorrectly set at AU\$0 when it should have been AU\$200,000. This resulted in the unavailability of basic information such as price and volume on 8,417 orders as they were erroneously admitted as block trades, which are exempt from pre-trade transparency. ASX paid a penalty of AU\$1,050,000 for the infringement.⁹⁰

On 13 August 2024, ASIC took ASX to court, alleging that the company had misled market participants on the status of its CHESS replacement project by publicly stating that the project was "on track" for an April 2023 launch and was "progressing well," even though it was facing significant implementation issues behind the scenes.⁹¹

As early as April 2021, DA had warned of likely delays in code delivery. Between June to November 2021, ASX had marked the project's status as "red" in its internal system, indicating that key milestones were unlikely to be met.⁹²

Despite these warnings, ASX launched an industry test environment in November 2021. The system reportedly lacked core features and failed to meet basic performance standards. Approximately 100 software defects were identified, along with major gaps in security and system functionality.⁹³ Nonetheless, ASX continued to assure the market that the project was on schedule. ASIC claimed that by January 2022, ASX had already begun drafting internal plans to delay the go-live date to September 2023. These concerns were formally presented to the ARC on 3 February 2022, a week before it reassured the public that the project was "on track" to meet its goals.⁹⁴

It was not until March 2022, after The Australian Financial Review published a column questioning whether the April deadline could be met, that ASX acknowledged a delay was a "strong likelihood."⁹⁵ The full extent of the project's issues was not made public until November 2022, following the independent review conducted by Accenture.⁹⁶

In November 2024, ASX filed its defence, denying the allegations and stating that there was a “reasonable basis” for the statements it had made.⁹⁷ It claimed that it had relied on information provided by DA and their assurance that the CHES replacement would meet the agreed timeline.⁹⁸

ASIC and RBA under fire

“ASIC was asleep at the wheel – so were the RBA.”

– *Anonymous observer quoted in The Australian*⁹⁹

After the CHES debacle, ASIC became the subject of an inquiry by the Parliamentary Joint Committee on Corporations and Financial Services (the Committee). Six public hearings were held between December 2022 and November 2023.¹⁰⁰

The Committee said that ASIC and RBA had been aware of significant problems with ASX’s technology governance and risk management frameworks in 2018. They had also been warned about the issues surrounding the CHES project back in 2020 and 2021. The Stockbrokers and Investment Advisers Association (SIAA) informed the Committee that it had raised concerns regarding the timely completion of the CHES replacement project to ASIC in March 2020. SIAA said it had called on ASIC to take a more active role in overseeing the project but were unable to state what actions ASIC had undertaken in response to its concerns.¹⁰¹ In addition, ASX’s senior manager Philip Galvin had repeatedly raised similar concerns to RBA’s then-assistant governor Michele Bullock in 2021.¹⁰²

The Committee concluded that ASIC and RBA had provided inadequate supervision. It recommended ASIC and RBA to examine the adequacy of their technology skills and processes at the highest levels to regulate and set policy for technology platforms like the ASX.¹⁰³

On 6 September 2023, amendments were made to the Corporations Act 2001, the Competition and Consumer Act 2010 and the ASIC Act which provided ASIC with new powers to require providers of clearing and settlement services to operate in a way that achieves competitive outcomes.¹⁰⁴

Middlegame makeover

“Despite the massive technology and project workload recently initiated by the company, the board limitations, that accompanied the original CHES failure, still appear to be, predominately [sic], in effect.”

– *Philip Galvin, former head of SFE*¹⁰⁵

On 2 February 2023, ASX announced the retirement of Ridout and Marriott, and the appointment of two new IDs – Vicki Carter (Carter) and Luke Randell (Randell).¹⁰⁶ The appointments were intended to “strengthen the Board’s technology and cyber capabilities, and experience in managing the complex needs of large scale transformation programs”.¹⁰⁷ Carter joined the PCC, NC, TC, and ARC as a member, while Randell joined the PCC, RC and NC.¹⁰⁸

Carter has prior experience in leading customer experience, product design, strategy and business services at Telstra Corporation while overseeing its multi-year transformation program. Her expertise spans strategy, operations, sales, human resources and transformation across banking, insurance, wealth management and telecommunications sectors.¹⁰⁹

Randell possesses 40 years of financial services experience, primarily in capital and international markets. He previously served as Citi’s Head of Markets and Securities Services for Australia and New Zealand (NZ) and held senior roles including CEO of Citi Japan and Head of Equities for Citi Australia/NZ. His career includes leadership positions in London as Citi’s Head of Equity Derivatives for EMEA.¹¹⁰

On 23 May 2023, ASX announced the appointment of Tim Whiteley (Whiteley) as the CIO. Whiteley was previously appointed to lead the CHES Replacement Solution Design team in November 2022. Prior to joining ASX, Whiteley held positions at Westpac and Commonwealth Bank, leading large enterprise-wide technology transformation projects.¹¹¹

In August 2023, ASX appointed Diona Rae (Rae) as the COO. Before joining ASX, Rae was Executive General Manager with Commonwealth Bank, where she transformed the bank's privacy remediation program to satisfy regulatory requirements. She also served as Chief Controls Officer for the bank's Enterprise Services Group, uplifting line 1 risk management for the technology and operations functions. She was also CRO at GPT Group, a partner at KPMG and Head of Business Operational Risk for Macquarie Securities.¹¹²

Critics have noted that Curran is still the only director on the Board with a technology background.¹¹³

In the same month, ASX, ASIC and RBA jointly established the Cash Equities Clearing and Settlement Advisory Group (Advisory Group), a stakeholder advisory group to provide input to the boards of ASX Clear and ASX Settlement on matters related to cash equities clearing and settlement services and infrastructure, including the CHES replacement project.¹¹⁴ Alan Cameron AO (Cameron) was appointed as Independent Chair of the Advisory Group. Cameron formerly served as ASIC Chair, a director of the SFE, and Chair of ASX Compliance and the ASX Corporate Governance Council. He concurrently serves as Chair of .au Domain Administration Limited and as a director of ASX-listed data provider Nuix Limited.¹¹⁵

In October 2023, the Australian Financial Review reported that proxy advisers Institutional Shareholder Services (ISS) and the Australian Shareholders' Association (ASA) would only vote for Roche's re-election to the Board at the upcoming 2023 AGM if Roche committed to be succeeded by a new Chair within 12 months. ISS said that its qualified support was due to "the continued delay of the CHES replacement project, [and] the material corporate governance concerns regarding the ASIC investigation into the contraventions of the Corporations Act and the ASIC Act by the company".¹¹⁶ Roche was re-elected at the 2023 AGM, where he pledged to focus on board renewal and the transition to a new Chair.¹¹⁷

Rewarding moves

Under ASX's remuneration policy, NEDs receive a base fee plus superannuation, with additional remuneration for those taking on leadership roles as Chairs of the Board Committees or directors of subsidiaries.¹¹⁸

Executive Key Management Personnel (Executives) receive a competitive total remuneration package, comprising both fixed and variable pay. The variable component includes Short-Term Variable Rewards (STVR) and Long-Term Variable Rewards (LTVR), aligning incentives with performance.¹¹⁹ ASX benchmarks total remuneration against relevant market sectors, such as banking, finance, legal, and technology, as well as broader industry standards.¹²⁰

STVR

The target STVR pool for Executives is calculated by aggregating each individual's target reward opportunity. The CEO first presents an assessment of the Group's performance to the Board, based on ASX Scorecard outcomes and risk management. Following an assessment of the Group's performance and feedback from the CRO, the Board determines the percentage of the Group reward pool to be released.¹²¹ The total value available sets the upper limit for all STVR payouts. Individual payouts may vary depending on individual performance.¹²²

To evaluate individual performance, the CRO makes an assessment of risk management for all Executives, incorporating feedback from other control functions. The CRO subsequently provides this assessment directly to

the RC. The CEO recommends to the RC the individual performance ratings and the percentage of STVR target to be applied for Executives, considering feedback from the CRO, the ARC, and CS Boards where appropriate. The RC considers the CEO's recommendations and then makes final recommendations to the Board for approval. Ultimately, an Executive's performance rating will reflect how well they have met their specific STVR targets, with payouts ranging from 0% to 150% of the STVR target.¹²³

The CEO's STVR is determined separately from the Group reward pool. Instead, it is based on individual performance against a CEO-specific scorecard. The Chair of the Board first provides an assessment of the CEO's performance and recommends an appropriate STVR to the PCC. This recommendation will also incorporate input from the CRO and the CS Boards. Once the PCC has reviewed the recommendation, it will submit a final proposal to the Board for approval.¹²⁴

Forty percent of the STVR is delivered in cash, while 60% is deferred into restricted ordinary shares. Half of the deferred portion vests after two years of ongoing employment, with the remainder vesting after four years of ongoing employment.¹²⁵

In 2023, ASX implemented changes to the STVR program following the failure of the CHESS replacement project.¹²⁶ This new framework aims to ensure that accountable persons are rewarded for achieving sustainable outcomes while imposing consequences for behaviours that do not meet role expectations.¹²⁷

First, the company introduced a requirement for accountable persons to fulfill their duties through reasonable measures such as establishing appropriate governance arrangements, risk management processes, and oversight systems. Relevant assessments will be included in the annual performance and reward cycle, with positive incentives for meeting expectations and salary reductions for those who do not.¹²⁸

Second, ASX introduced remuneration consequences for material adverse outcomes. In the event of a material adverse outcome, the Board will adjust remuneration based on the framework, including adjustments to the current year's STVR or previously deferred remuneration. Accountable persons must self-assess the adequacy of the measures taken to ensure the necessary governance and risk control mechanisms are in place during execution.¹²⁹ In 2023, the Board exercised this discretion to cancel the deferred STVR awarded in FY22 to Executives responsible for the CHESS replacement project prior to November 2022.¹³⁰

LTVR

Prior to 2024, the LTVR program measured performance through relative total shareholder return (TSR) and underlying earnings per share (EPS) growth.¹³¹

Relative TSR is measured over a four-year period against a peer group in the ASX 100. The peer group may be adjusted during the period to account for events like mergers or acquisitions to ensure fair comparisons. The TSR is calculated by combining share price movement and reinvested dividends.¹³²

Underlying EPS performance is measured over four years using the most recent financial year-end prior to the granting of the award as the base year, and the final financial year in the performance period as the end-year. It is calculated by dividing the underlying profit after tax for the relevant reporting period by the weighted average number of ordinary shares of ASX. This is then compared to the starting EPS to determine the EPS performance.¹³³

Nonetheless, the Board retains the discretion to adjust LTVR that has not yet been realised or vested without restrictions if it considers that such remuneration would be an inappropriate benefit. In 2023, the Board exercised this discretion to cancel all outstanding LTVR between 2018 and 2021 for the former CEO, Stevens, and the former Deputy CEO, Hiom.¹³⁴

First strike

“The call for transparency and accountability in executive compensation has never been more urgent.”

– *The Australian Financial Review*

The 2024 financial year marked the launch of ASX’s “five-year strategy”.¹³⁵ Key changes were made to the LTVR program.

Prior to 2024, the LTVR program was only limited to the CEO, with the maximum potential LTVR award for the CEO being 50% of their fixed remuneration. In 2024, the LTVR was extended to the Executive Team to support long-term performance alignment.¹³⁶ The underlying EPS hurdle was also replaced by underlying Return on Equity (ROE). ROE is calculated by dividing adjusted net profit (excluding one-time items) by average equity over four financial years. The stated purpose of the ROE hurdle was to focus the Executive Team on investment and resource allocation decisions that meet appropriate return objectives.¹³⁷

Despite backing for the 2024 remuneration proposal from major shareholders such as AustralianSuper and UniSuper, 26.15% of the shares voted against the ASX remuneration report at ASX’s AGM on 28 October 2024. This triggered the “first strike”.¹³⁸ In 2011, Australia introduced the “Two Strikes Rule” through a major amendment to its Corporations Act. Under the rule, if 25% or more of the shares vote against a company’s remuneration report in a given year, the “first strike” is triggered. Should a “second strike” occur the following year, shareholders can vote on whether to “spill” the board.¹³⁹

Many shareholders voiced their frustration regarding the remuneration structure, focusing in particular on two issues - the misaligned bonuses and the lack of transparency in ROE and STVR metrics.¹⁴⁰

The Australian Financial Review reported that ISS had expressed strong opposition to the remuneration report. ISS argued that the proposed increase in bonuses for FY2024 “d[id] not appear well aligned with flat or slightly negative underlying results, shareholder outcomes, and continued regulatory scrutiny”.¹⁴¹

Furthermore, it raised doubts about the long-term bonus targets based on ROE, suggesting these metrics were “questionable”.¹⁴² It also pointed out a significant gap in communication, with the lack of detail making it challenging for shareholders to evaluate the rigour of performance targets, particularly in comparison to the bonuses awarded.¹⁴³

The absence of clear and specific disclosures meant a lack of justification for the substantial increase in the bonuses of executives such as Lofthouse, who had received an AU\$1.7 million bonus under the STVR program for 2024,¹⁴⁴ which was 70% greater than the previous year.¹⁴⁵

Roche retired from the Board at the conclusion of the 2024 AGM and was succeeded by David Clarke (Clarke) as Chair of the Board, Chair of the NC, and member of the ARC and PCC.¹⁴⁶ Clarke was appointed as ID in September 2024. He previously served as CEO of Investec Bank (Australia) Limited and Allco Finance Group, and held senior roles in Westpac Banking Corporation. He concurrently serves as Chair of Fisher Funds Management Limited and Resolution Life Australasia Limited.¹⁴⁷

In September 2024, ASX announced Treleven’s intention to retire as CRO and appointed a new interim CRO, Leanne McDougall (McDougall), in November 2024. McDougall has more than 30 years’ experience in financial services across Australia and the United States. She formerly served as CRO at Suncorp Bank and also held senior positions at National Australia Bank and the Commonwealth Bank of Australia.¹⁴⁸

A conservative play

On 20 November 2023, ASX announced its decision to proceed with a more conservative product solution by Tata Consultancy Services (TCS), with Accenture as the solution integrator.¹⁴⁹ The TCS system has been used for clearing and settlement in countries such as New Zealand, South Africa, and Finland.¹⁵⁰ ASX's CEO, Lofthouse, stated that the solution would be a good fit for the Australian market.¹⁵¹ The new system would be introduced in two phases, with clearing services (Release 1) targeted for 2026 and settlement (Release 2) to follow in 2028 or 2029.¹⁵²

In October 2024, The Australian Financial Review reported that ASIC had raised concerns regarding ASX's ability to meet its stated timelines. While the clearing system was set for testing in February, ASIC said that quality assurance work was completed behind schedule and presented a risk to the publicly communicated date of February.¹⁵³

On 26 November 2024, ASX announced that following consultation, Release 2 implementation was targeted for 2029 with estimated project costs of between AU\$270 million and AU\$320 million, while Release 1 implementation was still targeted for 2026 with estimated project costs on the upper end of the previously communicated range of between AU\$105 million to AU\$125 million.¹⁵⁴

Commentators criticised the TCS solution as being too slow and expensive. In addition, some expressed concerns about TCS' inexperience with capital-markets infrastructure and questioned why ASX did not opt for established clearing platform solutions such as Nasdaq, Millennium, or Verniculus, which offer faster implementation at a lower cost.¹⁵⁵

Endgame

The fears of regulators over an underdeveloped clearing system were proven to be true when the CHESSE system broke down on 20 December 2024, preventing batch settlement from being completed. The issue was caused by the 2014 introduction of mFund, which introduced a new user type increasing memory record requirements. At that time, ASX did not update the memory allocation logic to account for this change. On 20 December 2024, a recent user removal reduced the allocated memory just enough to cause an insufficiency, triggering the failure. ASX developed and implemented a fix on 22 December 2024, and batch settlement resumed successfully on 23 December 2024.¹⁵⁶

In its incident review published 23 January 2025, ASX announced that it had waived all fail fees for the period from 20 to 31 December 2024. In addition, to acknowledge the disruptive impact on their customers, ASX established an AU\$1 million credit disbursement, which would be distributed proportionately to each settlement participant's revenue contribution for the first half of FY25.¹⁵⁷

A new CRO, Dirk McLiesh (McLiesh), was appointed on 30 January 2025. McLiesh has over 25 years of experience in risk management at institutions in the United States, Australia, and New Zealand. He formerly served as the CRO of Westpac New Zealand and has prior experience in working for National Australia Bank, Capital One, Microsoft and the Boston Consulting Group.¹⁵⁸

On 3 February 2025, ASX disclosed that ASIC had commenced an investigation into the failure of the CHESSE system regarding ASX's compliance with section 821A(1) of the Corporations Act 2001.¹⁵⁹

In the same month, ASIC exercised its new powers to implement new rules requiring ASX to take all reasonable steps to ensure that pricing is "transparent, fair and reasonable" and to provide access to its services on "commercial, transparent and non-discriminatory terms".¹⁶⁰ These include requirements for ASX to publish its post-trading fees benchmarked against international exchanges and to ensure future competitors can access its clearing and settlement services. ASIC Chairman, Joe Longo, said that the rules were implemented with the intention of "limiting ASX's ability to misuse its monopoly power to deter new entrants".¹⁶¹

On 31 March 2025, ASX confirmed that it had received a joint letter from RBA and ASIC outlining the regulatory action following the CHESS incident. ASX disclosed that RBA had conducted an out-of-cycle assessment of ASX Clear and ASX Settlement against its Financial Stability Standard for Operational Risk and had revised its rating for the Operational Risk standard to “not observed”. ASX also received a notice from ASIC directing ASX Clear and ASX Settlement to appoint an expert to conduct a technical review of CHESS and provide a report to ASIC within 150 days of appointing the expert.¹⁶² In response to the RBA assessment, ASX pledged to increase staffing to respond to issues with the CHESS system and improve reporting to its board.¹⁶³

On 18 May 2025, the Australian Financial Review reported that litigation funder Litigation Capital Management was approaching shareholders to apply to the court to bring a statutory derivative action on behalf of ASX against former ASX executives, management, and potentially board members, in relation to the CHESS replacement project.¹⁶⁴

The following month, ASIC announced an inquiry into ASX to assess ASX’s compliance with its obligations as a market licensee and a clearing and settlement facility licensee, due to the “repeated and serious failures at ASX”.¹⁶⁵ ASIC announced that it would discontinue its investigation of the 2024 CHESS batch settlement failure, and that consideration of the CHESS incident would form part of the broader inquiry. The inquiry panel would be asked to examine the frameworks and practices in relation to governance, capability, and risk management within ASX.¹⁶⁶

ASX said that the inquiry would have its “full cooperation”, and that it “welcome[d] the opportunity for independent parties to review the work underway and advise on what more [it could] do”.¹⁶⁷ Following the announcement of the inquiry, ASX shares fell by about 6%.¹⁶⁸

As of June 2025, no further updates on the ASIC lawsuit have been made by ASX or ASIC. ASX may face up to AU\$500 million in penalties if ASIC is successful in its lawsuit.¹⁶⁹

Discussion questions

1. Analyse the timeline of the CHESS replacement project. How did key events such as delays, public disclosures and regulatory intervention shape ASX’s subsequent strategy and affect public confidence, including that of investors and regulators?
2. What are the responsibilities of the ASX Board with regards to the CHESS replacement? Should the Board be held accountable for the CHESS debacle? Explain.
3. Critically evaluate the structure and composition of the ASX Board, including the board committees, prior to and leading up to exposure of the problems with the CHESS replacement. To what extent did these factors contribute to the problems? Explain.
4. Were the changes to the board structure and composition following the CHESS debacle sufficient? What recommendations would you make regarding changes in board structure and composition?
5. Analyse the effectiveness of ASX’s risk management framework and policies before and during the CHESS replacement project. Why did issues persist despite earlier reforms? What does this suggest about its approach to risk management?
6. Critically evaluate the remuneration policy for the key executives of ASX and the changes following the CHESS controversy. What recommendations would you make regarding further changes in remuneration policy to address stakeholders’ concerns?
7. Evaluate the effectiveness of ASIC’s regulatory role based on the CHESS case.
8. Critically assess ASX’s dual role as a listed company and market regulator. How does it affect its ability to fulfill its regulatory responsibilities? To what extent do existing mechanisms such as ASIC oversight and internal policies address the risks involved?

Endnotes

- 1 Dig Fin Group. (2022, November 21). How ASX's blockchain dream went up in smoke. *DigFin*. Retrieved from <https://www.digfingroup.com/asx-blockchain/>
- 2 *Ibid.*
- 3 ASIC. (2024, August 14). ASIC sues ASX for alleged misleading statements. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-177mr-asic-sues-asx-for-alleged-misleading-statements/>
- 4 Ford, K. (2024, July 3). 'ASIC has failed': Senate committee releases final report. *Independent Financial Adviser*. Retrieved from <https://www.ifa.com.au/news/34462-asic-has-failed-senate-committee-releases-final-report>
- 5 ASIC. (2025, March 31). RBA and ASIC act on deep concerns with ASX. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-050mr-rba-and-asic-act-on-deep-concerns-with-asx/>
- 6 ASX. (n.d.). ASX story. Retrieved from <https://www.asx.com.au/about/asx-story#:~:text=In%202006%20the%20Australian%20Stock,three%2Dletter%20code%20%2D%20ASX.>
- 7 ASX. (n.d.). About us. Retrieved from <https://www.asx.com.au/about>
- 8 ASX. (n.d.). ASX Compliance. Retrieved from <https://www.asx.com.au/about/regulation/asx-compliance>
- 9 ASX. (n.d.). Clearing and Settlement Boards Charter. Retrieved from <https://www.asx.com.au/content/dam/asx/about/cs-boards-charter.pdf>
- 10 ASX. (n.d.). ASX regulatory framework. Retrieved from <https://www.asx.com.au/about/regulation>
- 11 ASX. (2024, August 16). ASX Annual Report 2024. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-2024-annual-report.pdf>
- 12 *Ibid.*
- 13 *Ibid.*
- 14 Raso, Y. (2025, January 8). ASX ends 2024 with net loss of 75 listings. *Financial Newswire*. Retrieved from <https://financialnewswire.com.au/investment/asx-ends-2024-with-net-loss-of-75-listings/>
- 15 The WFE Statistics Team. (2025, January). Market statistics – February 2025. *World Federation of Exchanges*. Retrieved from <https://focus.world-exchanges.org/issue/february-2025/market-statistics>
- 16 Statista Research Department. (2025, June 3). Largest stock exchange operators worldwide 2025, by market capitalization. *Statista*. Retrieved from <https://www.statista.com/statistics/270126/largest-stock-exchange-operators-by-market-capitalization-of-listed-companies/>
- 17 ASX. (n.d.). ASX story. Retrieved from <https://www.asx.com.au/about/asx-story>
- 18 *Ibid.*
- 19 Segal, J. (2001, June). Market demutualisation and privatisation: The Australian experience. *Australian Securities and Investments Commission*. Retrieved from <https://download.asic.gov.au/media/1339400/IOSCOspeechJune2001.pdf>
- 20 *Ibid.*
- 21 RBA. (1999, January). Demutualisation in Australia. Retrieved from <https://www.rba.gov.au/publications/bulletin/1999/jan/1.html>
- 22 Evers, J. (2022, December 5). ASX conflicts of interest point to utility model to settle equities. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asx-conflicts-of-interest-point-to-utility-model-to-settle-equities-20221129-p5c23n>
- 23 ASX. (2022, April). Monitoring and enforcing compliance with ASX's listing rules. Retrieved from <https://www.asx.com.au/content/dam/asx/about/listing-rules-enforcement.pdf>
- 24 ASX. (2022, February). Matters regulated by ASIC -vs- Matters regulated by ASX. Retrieved from <https://www.asx.com.au/content/dam/asx/about/matters-regulated-by-asic-vs-matters-regulated-by-asx.pdf>
- 25 ASX. (n.d.). ASX Appeal Tribunal. Retrieved from <https://www.asx.com.au/about/regulation/asx-compliance/participants-compliance/asx-appeal-tribunal>
- 26 ASX. (2022, April). Monitoring and enforcing compliance with ASX's Operating Rules. Retrieved from <https://www.asx.com.au/content/dam/asx/about/operating-rules-enforcement.pdf>
- 27 ASX. (2023, November). Conflicts Management Policy. Retrieved from <https://www.asx.com.au/content/dam/asx/about/policies/conflict-management-policy.pdf>

- 28 ASIC. (n.d.). Our role. Retrieved from <https://www.asic.gov.au/about-asic/what-we-do/our-role/>
- 29 ASIC. (n.d.). Who we regulate. Retrieved from <https://www.asic.gov.au/about-asic/what-we-do/our-role/who-we-regulate/>
- 30 ASIC. (n.d.). Powers. Retrieved from <https://www.asic.gov.au/about-asic/what-we-do/our-role/powers/>
- 31 ASX. (n.d.). ASX regulatory framework. Retrieved from <https://www.asx.com.au/about/regulation>
- 32 The Australian Financial Review. (2022, December 6). ASX needs management and board cleanout. *The Australian Financial Review*. Retrieved from <https://www.afr.com/chanticleer/asx-needs-management-and-board-cleanout-20221206-p5c42m>
- 33 ASX. (n.d.). About CHES replacement. Retrieved from <https://www.asx.com.au/markets/clearing-and-settlement-services/chess-replacement/about-chess-replacement>
- 34 Dig Fin Group. (2022, November 21). How ASX's blockchain dream went up in smoke. *Digital Finance*. Retrieved from <https://www.digfingroup.com/asx-blockchain/>
- 35 Reserve Bank of Australia. (n.d.). 3. Review of ASX's Technology Governance and Operational Risk and Control Framework. Retrieved from <https://www.rba.gov.au/payments-and-infrastructure/financial-market-infrastructure/clearing-and-settlement-facilities/assessments/2017-2018/review-of-asxs-technology-governance-and-operational-risk-and-control-framework.html>
- 36 *Ibid.*
- 37 Australian Securities and Investments Commission. (2016, December 21). ASIC reports on ASX equity market outage in September 2016. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2016-releases/16-454mr-asic-reports-on-asx-equity-market-outage-in-september-2016/>
- 38 ASX. (2024, September 23). Media Release. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2024/23-sept-asx-chief-risk-officer-to-retire.pdf>
- 39 Reserve Bank of Australia. (n.d.). 3. Review of ASX's Technology Governance and Operational Risk and Control Framework. Retrieved from <https://www.rba.gov.au/payments-and-infrastructure/financial-market-infrastructure/clearing-and-settlement-facilities/assessments/2017-2018/review-of-asxs-technology-governance-and-operational-risk-and-control-framework.html>
- 40 Dig Fin Group. (2022, November 21). How ASX's blockchain dream went up in smoke. *Digital Finance*. Retrieved from <https://www.digfingroup.com/asx-blockchain/>
- 41 ASX. (2019, August 26). ASX, Digital Asset and VMWare join forces on DLT. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2019/MediaRelease-ASX-DigitalAsset-and-VMware-join-forces-on-DLT.pdf>
- 42 Parliament of Australia. (n.d.). Chapter 5 – The ASX CHES Replacement Project - Background. Retrieved from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/OversightofASIC/Competition_in_clearing_and_settlement_and_the_ASX_CHES_Replacement_Project/Chapter_5_-_The_ASX_CHES_Replacement_Project_-_Background
- 43 Boyd, T. (2022, December 8). Lessons for boards in ASX's tech debacle. *The Australian Financial Review*. Retrieved from <https://www.afr.com/chanticleer/lessons-for-boards-in-asx-s-tech-debacle-20221208-p5c4rp>
- 44 AFR. (2019, March 18). ASX's blockchain project gets nasty. *The Australian Financial Review*. Retrieved from <https://www.afr.com/chanticleer/asx-s-blockchain-project-gets-nasty-20190318-p5155s>
- 45 Boyd, T. (2022, December 8). Lessons for boards in ASX's tech debacle. *The Australian Financial Review*. Retrieved from <https://www.afr.com/chanticleer/lessons-for-boards-in-asx-s-tech-debacle-20221208-p5c4rp>
- 46 Ledger Insights. (2020, March 25). COVID-19 causes Oz exchange ASX to delay blockchain roll out. *Ledger Insights*. Retrieved from <https://www.ledgerinsights.com/asx-blockchain-exchange-covid-19-delay/>
- 47 Parliament of Australia. (n.d.). Chapter 5 – The ASX CHES Replacement Project – Background. Retrieved from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/OversightofASIC/Competition_in_clearing_and_settlement_and_the_ASX_CHES_Replacement_Project/Chapter_5_-_The_ASX_CHES_Replacement_Project_-_Background
- 48 Yahoo Finance. (2025). ASX Limited (ASX.AX). Retrieved from <https://au.finance.yahoo.com/quote/ASX.AX/history/?frequency=1d&period1=1587057856&period2=1744824213>
- 49 Parliament of Australia. (n.d.). Chapter 5 – The ASX CHES Replacement Project – Background. Retrieved from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/OversightofASIC/Competition_in_clearing_and_settlement_and_the_ASX_CHES_Replacement_Project/Chapter_5_-_The_ASX_CHES_Replacement_Project_-_Background

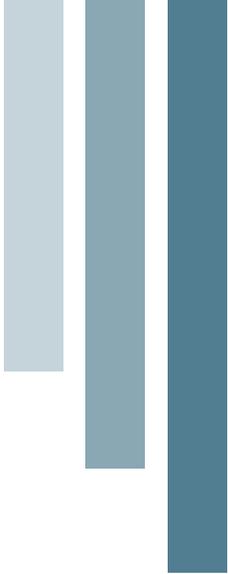
- 50 ASX. (2022, May 11). CHESS Replacement Project Update – Confirmation of Delay to April 2023 Go-Live. Retrieved from https://data-api.marketindex.com.au/api/v1/announcements/XASX:ASX:2A1373460/pdf/inline/chess-replacement-project-delay-to-april-2023-go-live?_gl=1*1xy11kx*_ga*MTA3Mzc1MjAwNy4xNzUwMjk2NjEx*_ga_R504V9JPBH*czE3NTAyOTY2MTEkbzEkZzEkdDE3NTAzMTM4NjEkajUzJGwwJGgw
- 51 Accenture. (2022, November). ASX CHESS Replacement Application Delivery Review. Retrieved from <https://www.euromoney.com/pdf/asx-chess-replacement-application-delivery-review-2022-pdf>
- 52 Dig Fin Group. (2022, November 21). How ASX's blockchain dream went up in smoke. *Digital Finance*. Retrieved from <https://www.digfingroup.com/asx-blockchain/>
- 53 Trading View. (n.d.). ASX Stock Price and Chart – ASX:ASX – TradingView. Retrieved from <https://www.tradingview.com/symbols/ASX-ASX/?timeframe=60M>
- 54 Evers, J. (2022, December 5). ASX conflicts of interest point to utility model to settle equities. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asx-conflicts-of-interest-point-to-utility-model-to-settle-equities-20221129-p5c23n>
- 55 ASX Limited. (n.d.). Annual Report 2021. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2021/25-19-aug-asx-limited-2021-appendix-4e-and-annual-report.pdf>
- 56 ASX Limited. (n.d.) Remuneration Committee Charter. Retrieved from <https://www.asx.com.au/content/dam/asx/about/remuneration-committee-charter.pdf>
- 57 ASX Limited. (n.d.). Annual Report 2017. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-annual-report-2017.pdf>
- 58 *Ibid.*
- 59 ASX Limited. (n.d.). Annual Report 2017. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-annual-report-2017.pdf>
- 60 *Ibid.*
- 61 *Ibid.*
- 62 *Ibid.*
- 63 *Ibid.*
- 64 *Ibid.*
- 65 *Ibid.*
- 66 *Ibid.*
- 67 *Ibid.*
- 68 Janda, M. (2018, June 19). ANZ cartel allegations trigger ASX, FutureFund board resignation. *ABC News*. Retrieved from <https://www.abc.net.au/news/2018-06-19/anz-cartel-case-claims-asx-board-scalp/9885132>
- 69 ASX Limited. (n.d.). Annual Report 2019. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-annual-report-2019.pdf>
- 70 ASX Limited. (n.d.). Annual Report 2020. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-annual-report-2020.pdf>
- 71 ASX. (2020, September 30). Retirement of Peter Warne. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2020/4-retirement-of-peter-warne.pdf>
- 72 ASX. (2021, March 24). Dividend letter. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2021/15-24-mar-dividend-letter.pdf>
- 73 ASX Limited. (n.d.). Annual Report 2022. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-annual-report-2022.pdf>
- 74 ASX Limited. (n.d.). Annual Report 2022. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-annual-report-2022.pdf>
- 75 *Ibid.*
- 76 Crunchbase. (n.d.). Peter Hiom -- Crunchbase Person Profile. Retrieved from <https://www.crunchbase.com/person/peter-hiom>

- 77 ASX. (2021, May 26). Deputy CEO Peter Hiom resigns from ASX. Retrieved from <https://www.asx.com.au/asxpdf/20210526/pdf/44wtfjk0s8llpf.pdf>
- 78 Lomax, J. (2023, June 22). Tim Hogben leaves ASX. *Asset Servicing Times*. Retrieved from https://www.assetservicingtimes.com/assetservicesnews/peoplemovesarticle.php?article_id=14507
- 79 *Ibid.*
- 80 ASX Limited. (n.d.). Technology Committee Charter. Retrieved from <https://www.asx.com.au/content/dam/asx/about/technology-committee-charter.pdf>
- 81 Reserve Bank of Australia. (2023, October 9). Assessment of ASX Clearing and Settlement Facilities – October 2023. Retrieved from <https://www.rba.gov.au/media-releases/2023/mr-23-27.html>
- 82 Reserve Bank of Australia. (2023, October). Assessment of ASX Clearing and Settlement Facilities. Retrieved from <https://www.rba.gov.au/payments-and-infrastructure/financial-market-infrastructure/clearing-and-settlement-facilities/assessments/2022-2023/pdf/report-2022-2023.pdf>
- 83 *Ibid.*
- 84 *Ibid.*
- 85 *Ibid.*
- 86 Chesterman, D. (2019, August). Distributed Ledger Technology in practice – Perspectives from ASX. *The World Federation of Exchanges*. Retrieved from <https://focus.world-exchanges.org/articles/distributed-ledger-technology-practice-perspectives-asx>
- 87 Kaye, B. (2022, December 20). Insight: Australian stock exchange's blockchain failure burns market trust. *Reuters* Retrieved from <https://www.reuters.com/markets/australian-stock-exchanges-blockchain-failure-burns-market-trust-2022-12-20/>
- 88 *Ibid.*
- 89 ASX. (2024, March 7). ASX Complies with ASIC Infringement Notice. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2024/13-07-march-2024-asx-complies-with-asic-infringement-notice.pdf>
- 90 Evers, J. (2024, March 7). ASX breached rules on '8417 occasions' says ASIC. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asic-says-asx-breached-own-market-integrity-rules-on-8417-occasions-20240307-p5fahj>
- 91 Australian Securities and Investments Commission. (2024, August 14). ASIC sues ASX for alleged misleading statements. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-177mr-asic-sues-asx-for-alleged-misleading-statements/>
- 92 *Ibid.*
- 93 Evers, J. (2024, August 16). A red alert and 100 defects: Inside ASIC's case against the ASX. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/a-red-alert-and-100-defects-inside-asic-s-case-against-the-asx-20240815-p5k2oi>
- 94 Australian Securities and Investments Commission. (2024, August 14). ASIC sues ASX for alleged misleading statements. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-177mr-asic-sues-asx-for-alleged-misleading-statements/>
- 95 ASX. (2023, June). Special Report - Response to recommendations made in the CHESSE Program External Review. Retrieved from <https://www.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/special-report-response-to-external-review-recommendations.pdf>
- 96 Parliament of Australia. (n.d.). Chapter 5 – The ASX CHESSE Replacement Project - Background. Retrieved from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/OversightofASIC/Competition_in_clearing_and_settlement_and_the_ASX_CHESSE_Replacement_Project/Chapter_5_-_The_ASX_CHESSE_Replacement_Project_-_Background
- 97 ASX. (2024, November 15). ASX files its defence in the ASIC proceedings. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2024/62-15-november-2024-asx-files-its-defence-in-the-asic-proceedings.pdf>
- 98 *Ibid.*
- 99 Moullakis, J, & Ross, D. (2024, August 16). ASIC 'was warned about problems with ASX CHESSE upgrade'. *The Australian*. Retrieved from <https://www.theaustralian.com.au/business/financial-services/asic-was-warned-about-problems-with-asx-chess-upgrade/news-story/8f82e1ab677820fa8cd562c3a5d06538>

- 100 Parliamentary Joint Committee on Corporations and Financial Services. (2024, April). Statutory inquiry into ASIC, the Takeovers Panel, and the corporations legislation. Retrieved from https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/RB000185/toc_pdf/StatutoryinquiryintoASIC,theTakeoversPanel,andthecorporationslegislation.pdf
- 101 Taylor, M. (2023, April 26). ASIC warned for years of CHES replacement concerns. *Financial Newswire*. Retrieved from <https://financialnewswire.com.au/fintech/asic-warned-for-years-of-chess-replacement-concerns/>
- 102 Derwin, J. (2024, August 15). RBA's Michelle Bullock was warned about ASX tech troubles in 2021. *Capital Brief*. Retrieved from https://www.capitalbrief.com/article/rbas-michelle-bullock-was-warned-about-asx-tech-troubles-in-2021-ec8d1459-82e0-4c52-8e0c-fb11aa52307/preview/?utm_campaign=bourse-f-k-up&utm_medium=referral&utm_source=newsletter.letterofintent.com.au
- 103 Parliamentary Joint Committee on Corporations and Financial Services. (2024, April). Statutory inquiry into ASIC, the Takeovers Panel, and the corporations legislation. Retrieved from https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/RB000185/toc_pdf/StatutoryinquiryintoASIC,theTakeoversPanel,andthecorporationslegislation.pdf
- 104 ASIC. (2023, September 22). PJC Corporations and Financial Services Inquiry into the CHES Replacement Project Further submission by the Australian Securities and Investments Commission. Retrieved from <https://download.asic.gov.au/media/rxepo5yy/202309-supplementary-submission-no-7-1-oversight-of-asic-chess-replacement-project-response-to-cboe-aus.pdf>
- 105 Galvin, P. (2023, October 17). Philip Galvin's Post. Retrieved from https://www.linkedin.com/posts/philip-galvin-436016239_asx-boardgovernance-activity-7244246799262064640-nDyL/
- 106 ASX. (2023, February 2). ASX continues board renewal, announces changes to directors. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2023/04-02-february-2023-asx-continues-board-renewal-announces-changes-to-directors.pdf>
- 107 *Ibid.*
- 108 ASX. (n.d.). Our Board. Retrieved from <https://www.asx.com.au/about/our-board-and-management>
- 109 *Ibid.*
- 110 *Ibid.*
- 111 ASX. (2023, May 23). ASX appoints Tim Whiteley as Chief Information Officer. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2023/29-23-may-asx-appoints-tim-whiteley-cio.pdf>
- 112 ASX. (2023, August 3). ASX appoints Chief Operating Officer. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2023/3-aug-asx-appoints-chief-operating-officer.pdf>
- 113 Dig Fin Group. (2025, March 31). Has ASX learned the lessons of its DLT failure? UPDATED. *Digital Finance*. Retrieved from <https://www.digfingroup.com/asx-chess-governance/>
- 114 ASX. (n.d.). ASX Cash Equities Clearing and Settlement Advisory Group Charter. Retrieved from <https://www.asx.com.au/content/dam/asx/about/advisory-group/advisory-group-charter.pdf>
- 115 ASX. (2023, August 3). ASX appoints Alan Cameron as Independent Chair for new Clearing and Settlement Advisory Group. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2023/2-aug-asx-appoints-alan-cameron-independent-chair-for-clearing-settlement-advisory-group.pdf>
- 116 Evers, J. (2023, October 17). ASA calls for ASX chairman to step down within a year. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/call-for-asx-chairman-to-step-down-within-a-year-20231017-p5ecvf>
- 117 ASX. (2024, September 11). ASX announces new chair as Damian Roche retires. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2024/49-11-september-2024-asx-announces-new-chair-as-damian-roche-retires.pdf>
- 118 ASX. (n.d.). ASX Annual Report 2024. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-2024-annual-report.pdf>
- 119 *Ibid.*
- 120 *Ibid.*
- 121 *Ibid.*
- 122 *Ibid.*
- 123 *Ibid.*
- 124 *Ibid.*
- 125 *Ibid.*
- 126 ASX. (n.d.). ASX Annual Report 2023. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/01-asx-2023-annual-report.pdf>

- 127 *Ibid.*
- 128 *Ibid.*
- 129 *Ibid.*
- 130 *Ibid.*
- 131 *Ibid.*
- 132 *Ibid.*
- 133 *Ibid.*
- 134 *Ibid.*
- 135 ASX. (n.d.). ASX Annual Report 2024. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-2024-annual-report.pdf>
- 136 *Ibid.*
- 137 *Ibid.*
- 138 Eyers, J. (2024, October 28). ASX hit with 'first strike' at AGM over regulatory concerns. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asx-hit-with-first-strike-at-agm-over-regulatory-concerns-20241028-p5klre>
- 139 Lasky, J. (2025). Two strikes rule. *EBSCO*. Retrieved from <https://www.ebsco.com/research-starters/law/two-strikes-rule>
- 140 *Ibid.*
- 141 *Ibid.*
- 142 *Ibid.*
- 143 *Ibid.*
- 144 ASX. (n.d.). ASX Annual Report 2024. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/asx-2024-annual-report.pdf>
- 145 ASX. (n.d.). ASX Annual Report 2023. Retrieved from <https://www.asx.com.au/content/dam/asx/annual-reports/01-asx-2023-annual-report.pdf>
- 146 ASX. (2024, September 11). ASX announces new Chair as Damian Roche retires. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2024/49-11-september-2024-asx-announces-new-chair-as-damian-roche-retires.pdf>
- 147 ASX. (n.d.). Our Board. Retrieved from <https://www.asx.com.au/about/our-board-and-management>
- 148 ASX. (2024, November 14). ASX announces appointment of interim Chief Risk Officer. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2024/14-nov-asx-announces-appointment-of-interim-chief-risk-officer.pdf>
- 149 ASX. (2023, November 20). ASX Announces Product Based Solution for CHESSE Replacement – Industry Consultation on Next Phase to Commence in 2024. Retrieved from https://data-api.marketindex.com.au/api/v1/announcements/XASX:ASX:2A1488659/pdf/inline/chess-replacement-solution-announced-and-2024-consultation?_gl=1*1xdo63p*_ga*MTA3Mzc1MjAwNy4xNzUwMjk2NjEx*_ga_R504V9JPBH*czE3NTAyOTY2MTEkbzEkZzEkdDE3NTAzMTQ1NjlkajYwJGwwJGgw
- 150 *Ibid.*
- 151 Shapiro, J., & Eyers, J. (2023, November 20). ASX turns to Tata, passing over Nasdaq, to rescue CHESSE. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asx-picks-tata-in-bid-to-finally-put-chess-replacement-bungle-to-rest-20231120-p5el70>
- 152 Parliament of Australia. (n.d.). Chapter 5 – The ASX CHESSE Replacement Project - Background. Retrieved from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/OversightofASIC/Competition_in_clearing_and_settlement_and_the_ASX_CHESSE_Replacement_Project/Chapter_5_-_The_ASX_CHESSE_Replacement_Project_-_Background
- 153 Baird, L. (2024, October 30). ASX risks falling behind on CHESSE remake. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asx-risks-falling-behind-on-chess-remake-20241030-p5kmjt>
- 154 ASX Limited. (2024, November 26). ASX Announces Implementation Plan for Release 2 of the CHESSE Project. Retrieved from https://data-api.marketindex.com.au/api/v1/announcements/XASX:ASX:2A1564215/pdf/inline/asx-provides-update-on-release-2-of-the-chess-project?_gl=1*1lu68z*_ga*MTA3Mzc1MjAwNy4xNzUwMjk2NjEx*_ga_R504V9JPBH*czE3NTAyOTY2MTEkbzEkZzEkdDE3NTAyOTgwNTMkajQwJGwwJGgw

- 155 Dig Fin Group. (2025, March 31). Has ASX learned the lessons of its DLT failure? UPDATED. *Digital Finance*. Retrieved from <https://www.digfingroup.com/asx-chess-governance/>
- 156 ASX. (2025, January 23). CHES Batch Settlement Incident Review. Retrieved from <https://www.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/chess-batch-settlement-incident-review.pdf>
- 157 ASX. (2025, January 23). CHES Batch Settlement Incident Review. Retrieved from <https://www.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/chess-batch-settlement-incident-review.pdf>
- 158 ASX. (2025, January 30). ASX appoints Chief Risk Officer. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2025/30-jan-asx-appoints-chief-risk-officer.pdf>
- 159 ASX. (2025, February 3). CHES Batch Settlement Incident – ASIC Investigation. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2025/04-03-february-2025-chess-batch-settlement-incident-asic-investigation.pdf>
- 160 Evers, J. (2025, February 25). ASIX uses new powers to force fee transparency on the ASX. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asic-uses-new-powers-to-force-fee-transparency-on-the-asx-20250224-p5leo3>
- 161 *Ibid.*
- 162 ASX. (2025, February 3). CHES Batch Settlement Incident – ASIC Investigation. Retrieved from <https://www.asx.com.au/content/dam/asx/about/media-releases/2025/04-03-february-2025-chess-batch-settlement-incident-asic-investigation.pdf>
- 163 Evers, J. (2025, May 1). ASX forced to lift CHES resourcing after damning RBA assessment. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asx-forced-to-lift-chess-resourcing-after-damning-rba-assessment-20250501-p5lvny>
- 164 Moullakis, J. (2025, May 18). Class action brewing against former ASX executives over CHES failures. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/class-action-brewing-against-former-asx-executives-over-chess-failures-20250516-p5lvvj>
- 165 ASIC. (2025, June 16). ASIC launches Inquiry into ASX. Retrieved from <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-103mr-asic-launches-inquiry-into-asx/>
- 166 *Ibid.*
- 167 ASX Limited. (2025, June 16). ASX Statement on ASIC Commencing Inquiry. Retrieved from https://data-api.marketindex.com.au/api/v1/announcements/XASX:ASX:2A1601949/pdf/inline/asx-statement-on-asic-commencing-inquiry?_gl=1*17sosyu*_ga*MTA3Mzc1MjAwNy4xNzUwMjk2NjEx*_ga_R504V9JPBH*czE3NTAyOTY2MTEkbzEkZzEkdDE3NTAyOTY2ODEkajU2JGwwJGgw
- 168 Haigh, A. (2025, June 16). ASX Shares Tumble as ASIC Starts Probe Over Serious Failures. *Bloomberg*. Retrieved from <https://www.bloomberg.com/news/articles/2025-06-15/asic-starts-probe-into-australia-s-asx-after-repeated-failures>
- 169 Evers, J. (2024, November 15). ASX denies breaking law over CHES status, relied on technology vendor. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/financial-services/asx-denies-breaking-law-over-chess-status-relied-on-technology-vendor-20241115-p5kqk>



FORTESCUE: STEPPING ON A MINEFIELD*

Case overview

Since its founding in 2003, mining and green energy company, Fortescue, has grown into the world's fourth-largest iron ore producer, largely driven by the vision of its founder, Dr John Andrew Henry Forrest. While Andrew Forrest champions sustainability, his leadership has drawn criticism due to high executive turnover and allegations of a secretive relationship with an employee. The controversies surrounding the company cast a shadow on its ESG efforts, including its commitment to achieve Net Zero emissions by 2040.

Fortescue's aggressive business strategies also raised ethical and other concerns. The Iron Bridge project faced significant cost overruns, prompting executive departures. Moreover, Fortescue expanded its Queens mine operations without consulting the Wintawari Guruma people, leading to the destruction of over 70 aboriginal heritage sites – later blamed on a clerical error. These incidents have drawn public and investor backlash.

The objective of this case study is to facilitate discussion of issues such as dominant founders; corporate culture and ethics; board structure and composition; executive turnover remuneration policies; whistleblowing policies; and sustainability.

Drilling down to Fortescue's origins

Fortescue Ltd is a mining and green energy company headquartered in Perth, Australia, and is listed on the Australian Securities Exchange (ASX). Founded by Dr John Andrew Henry Forrest (Andrew Forrest) in 2003, the company has grown to become the world's fourth-largest iron ore producer, with a valuation of A\$60 billion as of 2023,¹ and reported underlying net profits after tax of US\$5.7 billion in its 2024 financial year.² Employing 13,745 individuals,³ it has a minor business presence in over ten countries across Latin America.

Fortescue has two divisions: Metals and Energy. The Metals Division focuses on identifying global iron ore deposits, exploring new fields, and developing green iron technologies. Meanwhile, the Energy Division, comprising Fortescue Future Industries (FFI), Fortescue Hydrogen Systems, and Fortescue Williams Advanced Engineering (WAE), aims to meet the global demand for green energy solutions, aviation fuels, green fertilizers,

* This case study was originally prepared by Bryan Soh Wei Xiang, Darshan S/O Rajanderan, Goh Yu Xuan, Jovan Lim Zhao Yu, Kezia Tan Wen Yan, and Lau Kar Kei. It has been edited by Tan De-Reng, under the supervision of Professor Mak Yuen Teen, with additional content added. The case was developed from published sources solely for class discussion and is not intended to serve as illustrations of effective or ineffective management or governance. The interpretations and perspectives in this case are not necessarily those of the organisations named in the case, or any of their directors or employees.

and green shipping fuels. In 2024, the Metals division was the primary driver of Fortescue's profits, accounting for 99% of its total revenue.⁴

Fortescue Metals operates four major mines in Western Australia—Iron Bridge, Chichester Hub, Solomon Hub, and Western Hub, each producing millions of tons of iron ore annually. To enhance its distribution network, Fortescue wholly owns its rail and port infrastructure. In February 2023, Fortescue launched its first international venture, the Belinga ore project in Gabon, via its subsidiary Ivindo Iron SA, marking a key step into the African market.⁵ Fortescue Metals aims to eliminate fossil fuel usage at its mining sites through solar energy by 2030 and achieve Net Zero emissions by 2040.⁶

Fortescue Energy develops technological solutions for hard-to-decarbonise industries and is advancing projects such as green hydrogen initiatives in the USA and Australia, geothermal-based fertiliser production in Kenya, and green ammonia ventures in Norway and Brazil. In partnership with Fortescue WAE, it is also innovating battery systems for mining and transportation, including a battery-electric haul truck. Fortescue is also a pioneer in green technology, establishing a manufacturing facility and innovation centres for electrolysis, and collaborating with China Baowu to develop technologies for coal-free iron production.⁷

As of 31 May 2025, the top six shareholders of Fortescue are Tattarang Pty Ltd (35.17%), Valin Holdings Group Co. Ltd. (8.76%), Capital Research and Management Company (4.97%), The Vanguard Group, Inc. (3.46%), Emichrome Pty. Ltd. (3.03%), and Blackrock, Inc. (2.47%).⁸

Separation of Andrew and Nicola Forrest

Fortescue's founder, Andrew Forrest, nicknamed "Twiggy", came from a modest background. He spent the majority of his early years working as a stockbroker at Kirke Securities and Jacksons.⁹ It was during this period that Andrew Forrest met his future wife, Nicola Maurice. The couple eventually married in 1991 and went on to have three children.¹⁰ Andrew Forrest attained a PhD in Marine Science from the University of Western Australia in 2019.¹¹

"I can remember meeting Nicola like this morning. We were holding a housewarming party for all of Mum's friends... This bouncy, energetic feminine form came dancing across the lawn,"

– Andrew Forrest¹²

However, after 31 years of marriage, investors were shocked by the announcement of the separation of Andrew Forrest and his wife in July 2023. This announcement came during the worst possible period – after Fortescue experienced its second Chief Executive Officer (CEO) departure, Fiona Hicks, who only served six months in the company's management. Andrew Forrest reassured shareholders that their separation would not impact Fortescue's business.¹³

"Nic and I are in lockstep on that — we are completely committed to Fortescue, to Tattarang, all the objectives of Munderoo, we are completely united."

– Andrew Forrest¹⁴

Before their separation, Andrew and Nicola Forrest's jointly-owned the private investment firm, Tattarang, and its philanthropic arm, the Munderoo Foundation. As of 2024, Tattarang and Munderoo remain substantial shareholders of Fortescue, collectively holding 36.74% of the shares.¹⁵ In June 2023, ahead of their separation announcement, investors noted a major shift in Fortescue's ownership structure, when there was a transfer of 220 million Fortescue shares, worth nearly A\$5 billion, and about one-fifth of Tattarang's stake, to Munderoo.¹⁶ Founded by the couple in 2001, Munderoo focuses on issues ranging from modern-day slavery to plastic pollution. Reassurances were provided that Tattarang, which held almost 65% of the Forrest family's total Fortescue shares,

would continue voting in line with Fortescue's board decisions.¹⁷ That same month, an additional 50 million Fortescue shares were transferred to Nicola Forrest's wholly-owned company, Coaxial Ventures Pty Ltd.¹⁸

The share transfers resulted in Nicola owning a slightly larger percentage of Fortescue shares compared to Andrew. While the couple maintains that the separation will not impact Fortescue's operations, the ownership shift has unexpectedly left Nicola with a major portion of Fortescue shares.¹⁹

Upon announcing their separation, the couple decided to split the assets evenly. While their reasons remained private, allegations arose that Andrew Forrest had a secret relationship with an employee. These allegations were later dismissed by Fortescue's internal investigations.²⁰

Fortescue's governance and board of directors

According to Fortescue, five principles form the foundation of its decision-making process to ensure ethical responsibility and sustainability: transparency, integrity, empowerment, corporate accountability, and stewardship.²¹

It constantly reviews its board composition to maintain a well-rounded profile reflecting diverse skills, ethnicities, experiences, genders, and ages. Fortescue has four main board committees: Audit, Risk Management and Sustainability Committee (ARMSC); Remuneration and People Committee (RPC); Nomination Committee (NC); and Finance Committee (FC).²²

Based on its FY2024 annual report, Fortescue has ten directors. The executive directors include: Andrew Forrest who is Executive Chairman and Elizabeth Gaines who is Global Ambassador. The non-executive directors (NEDs) are Mark Barnaba, Lord Sebastian Coe, Dr. Jean Baderschneider, Penny Bingham-Hall, Dr Larry Marshall, Yifei Li, Usha Rao-Monari, and Noel Pearson. Mr Barnaba is the Lead Independent Director and Deputy Chairman.

Among the NEDs, Bingham-Hall has the most experience in mining operations, while Dr Baderschneider has the most expertise in supply chain management. Other board members possess skills and expertise in areas such as politics, finance and e-commerce. Pearson, a prominent indigenous leader and lawyer, is the newest addition to Fortescue's board, and has spent decades advancing aboriginal rights and other socioeconomic initiatives.²³ Figure 1 provides a summary of the Board in terms of gender diversity, geographic diversity and tenure. Appendix A provides more detailed information on the composition of the Board.

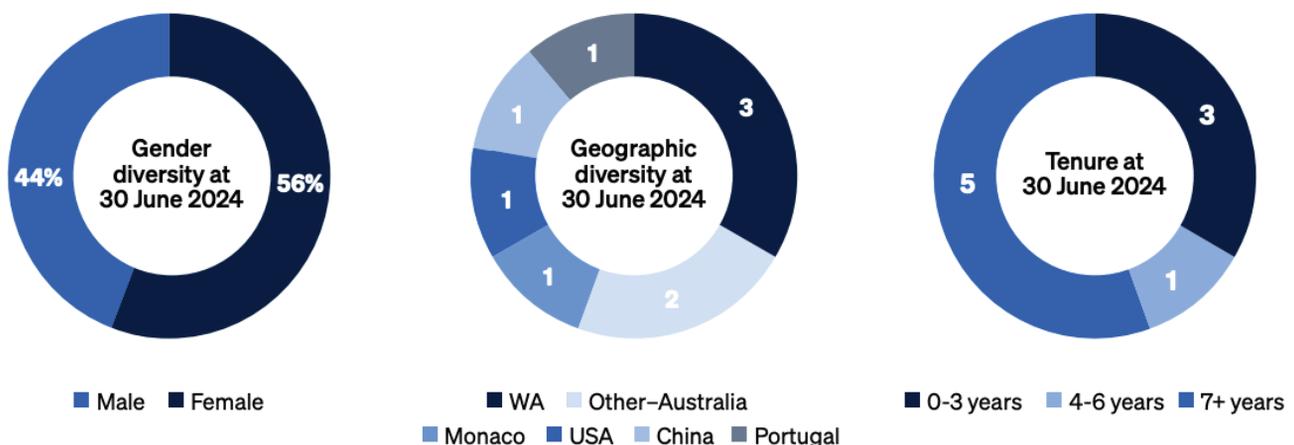


Figure 1: Breakdown of demographics among Fortescue's board of directors as of FY2024²⁴

Source: Fortescue's 2024 Corporate Governance Statement

Despite pledging its commitment to instilling a strong corporate governance culture, Fortescue has faced a barrage of criticisms regarding its governance practices, including questionable remuneration policies, unexpected high-level executive departures, cost blowout on the Iron Bridge project, and dealings with Aboriginal communities.

Gold in the boardroom

In 2023, 52% of shareholders voted against the company's annual remuneration report as they expressed "strong feelings" about the company's plan to give one-off bonuses to some long-time executives.²⁵ Gaines was slated to receive A\$1.98 million after stepping down from her role as CEO and resuming her position as an executive director. She was also previously a member of Fortescue's remuneration committee. Former Chief Financial Officer (CFO), Ian Wells, was also slated to receive A\$1 million after he left the company in January 2023.²⁶ Fortescue's annual report stated that these bonuses were "special recognition awards" for the executives' respective "significant and transformative achievements during their time with Fortescue."²⁷

Leading proxy advisory firms Corporate Governance International Glass Lewis (CGI Glass Lewis) and Institutional Shareholder Services (ISS) recommended shareholders to vote against these remuneration packages as money spent on retiring executives did not directly benefit shareholders.

"These payments are in excess of the remuneration structure. We note such ad hoc discretionary payments on retirement are unusual among ASX 100 entities. These executive roles have also been well paid historically as can be expected for such prominent roles. We struggle to see how shareholders receive any value from these payments."

– Vice President of Research and Engagement at CGI Glass Lewis, Philip Foo²⁸

Analysts from ISS echoed Foo's sentiment, stating that Fortescue's special recognition awards to senior executives is not typical in large companies and falls short of sound remuneration governance standards.²⁹

The 52% shareholder vote against Fortescue's remuneration report, triggered the first strike under the Australian Corporations Act "two-strikes" rule. Should a second strike occur (another 25% or more of shares vote against pay proposals at next year's annual general meeting), the board faces potential re-election.³⁰ This mechanism empowers shareholders to check excessive executive pay. Fortescue's Remuneration Committee Chair, Bingham-Hall, acknowledged shortcomings, admitting the company had not "got all our remuneration issues right."³¹

Gaines and Wells were not the only executives whose remuneration came into question. Long-serving director Mark Barnaba, who has been on the board since 2010, drew criticism for his A\$1.27 million fees,³² which was 60% above the median for ASX 20 chairs and said to be disproportionate for a non-executive role. Notably, his pay matched that of executive director, Gaines.³³ Despite these concerns, Andrew Forrest defended the pay-outs, insisting Fortescue gets "excellent value for money" from its leadership.³⁴

Unearthing the "ore-some" rewards of mining

Fortescue's executive remuneration framework for Key Management Personnel (KMP) seeks to blend fixed compensation with short- and long-term variable components. It aims to offer market-competitive pay benchmarked against ASX 25, 50 and 100 resource companies for KMPs in the Metals and Energy Group, while aligning management incentives with shareholder interests. Short- and long-term incentives are distributed according to the extent of achievement on a number of performance measures. These metrics can be broadly categorised into two groups. For short-term incentives, they include operations, people and culture, and individual Key Performance Indicators (KPIs). For long-term incentives, the focus is on total shareholder return and key strategic measures.³⁵

Fortescue's Financial Year 2023 (FY2023) annual report revealed that the special recognition bonuses awarded to Gaines and Wells were classified as "other payments" outside the standard remuneration framework.³⁶ By Financial Year 2024 (FY2024), the company had discontinued such exceptional remuneration, with no board members receiving payments under this category in the most recent reporting period.³⁷

From the shaft to the C-suite: The remuneration committee

The purpose of the Remuneration and People Committee (RPC) of Fortescue is to provide assistance and recommendations to the Board regarding key elements of remuneration including, but not limited to, remuneration strategy, framework and KMP's remuneration quantum.³⁸ Figure 2 shows the composition of the RPC.

Role	Name	Other Roles/Committees
Chairperson	Penny Bingham-Hall	Non-executive Director (NED)/ Audit, Risk management and Sustainability Committee (Member)/ Finance Committee (Member)
Member	Mark Barnaba AM CitWA	Deputy chairman/ Lead independent director/ NED/ Audit, Risk management and Sustainability Committee (Chair)/ Nomination committee (member)/ Finance committee (Chair)
Member	Lord Sebastian Coe CH, KBE	NED/ Nomination committee (Chair)
Member	Elizabeth Gaines - joined from 1 Sep 2022	Executive director/ Global Ambassador Fortescue/ Finance committee (Member)
Member	Dr Jean Baderschneider	NED/ Audit, Finance and Risk Management Committee (Member)/ Safety and Sustainability Committee (Chair)
Member	Yifei Li	NED

Figure 2: Fortescue's Remuneration and People Committee as of 30 June 2024³⁹

Source: Fortescue's FY24 Annual Report

Fortescue's RPC Charter mandates that the committee should have at least three non-executive directors, with a majority being independent.⁴⁰ However, the company only designates a "lead independent director" without explicitly labelling other directors' independence in its FY2023 and 2024 annual reports and website. Barnaba held this lead role until 28 August 2024, when Dr Larry Marshall assumed the position.⁴¹

Barnaba's independence faced particular scrutiny, with the Australian Shareholders Association (ASA) commenting that due to Barnaba's decade-long tenure, the "ASA guidelines do not consider him independent any longer". Fortescue acknowledged these concerns in its August 2023 ASX announcement about Barnaba's planned 2024 transition from the lead role.⁴² While Australia's Corporations Act 2001 sets no term limits for directors, ASX guidelines recommend periodic independence reviews for those serving beyond ten years.⁴³ With Barnaba's independence being brought into question, his continued membership in the Committee would risk violating the requirements of Fortescue's RPC Charter.

Unearthing the secrets deep within the mines

Fortescue's whistleblowing policy specifies the issues that can be reported under the whistleblowing hotline and they include bribery, corruption, conflict of interest, fraud, theft, serious misconduct, dishonesty, danger to the public or financial system, and an improper state of affairs in relation to Fortescue. Other issues such as harassment, bullying, unlawful discrimination, and inappropriate conduct and behaviour should be reported under the alternative "speak up" channel, meant for employees who have suffered personal workplace grievances. Fortescue has also made it clear that employees are free to escalate issues to proper law enforcement bodies should they feel the need to.⁴⁴ An eligible whistle-blower must have reasonable grounds to suspect that the information they are disclosing is true.⁴⁵

Should a whistle-blower feel that their anonymity may have been compromised, they can seek protection from the Company Secretary, who acts as the Whistleblower Protection Officer (WPO). The WPO will prevent Fortescue from taking any retaliatory measures against the whistle-blower. Further, as part of the policy's investigation guideline, any disclosures made through the hotline would be preliminarily reviewed by the Whistleblower Investigation Officer who would decide if the allegations raised should be investigated.⁴⁶

Sexual harassment claims

In early 2023, 34 sexual harassment claims were made to the whistleblowing hotlines at three different mining sites.⁴⁷ Andrew Forrest also came under fire after anonymous complaints alleged that he was in a secret relationship with a Fortescue employee.⁴⁸ This coincided with the announcement of Andrew's separation from his wife, Nicola.

When Australia's work safety regulator, WorkSafe Western Australia, demanded documentation of the harassment cases, Fortescue initially refused to comply, leading to regulatory action. Subsequently, Fortescue agreed to hand over the related documents, on the condition that the names of all parties involved were redacted.⁴⁹ Meanwhile, Fortescue conducted its own investigations which resulted in the dismissal of over 60 employees who were guilty of misconduct such as sexual harassment and bullying.⁵⁰

Following an anonymous letter alleging that Andrew Forrest was guilty of misconduct and raising concerns that he was engaged in a secret relationship with an employee, Fortescue's Board promptly engaged law firm, Seyfarth Shaw LLP, to conduct an independent investigation. The investigation concluded that none of the matters in the letter were substantiated.⁵¹ Andrew Forrest himself was excluded from the process as he was the subject of investigations. Despite concluding no wrongdoing, Fortescue declined to release the investigation report publicly.⁵²

By December 2023, Fortescue had agreed to spend A\$1.4 million on "strategies to address inappropriate workplace behaviours in the mining industry".⁵³ In exchange, WorkSafe also chose to drop all charges related to Fortescue's noncompliance with its order to surrender documents relating to the 34 sexual harassment claims.⁵⁴ A Fortescue spokesperson reiterated Fortescue's commitment "to upholding the highest standard of workplace health and safety".⁵⁵

Revolving door

In 2023, Fortescue's revenue decreased by 3%, leading to a decline in its share price.⁵⁶ There were three key departures in one week:⁵⁷ board member Guy DeBelle left 17 months after taking up his position, CEO Fiona Hicks left after 6 months, and CFO Christine Morris left after just 2 months.⁵⁸

Why Hicks left

Andrew Forrest stated that the sentiments behind Fiona Hicks' departure were mutual and based on differences in the company's direction to grow its sustainability operations.⁵⁹ The sourcing of iron ore, or being in the industry of using depletable resources, has always been unsustainable.⁶⁰ In light of this, Fortescue has taken an aggressive approach in order to reach a goal of zero emissions by 2030 - a goal that has been seen as especially ambitious for its industry. Fortescue had already pledged A\$9.2 billion to "fully decarbonise its mining operations and supply its customers with a carbon-free product within eight years" before Fiona Hicks joined Fortescue.⁶¹

Why Morris left

Morris resigned as Fortescue Mining's CFO after just two months. She stated on LinkedIn that she had left her position as "the role was not what I expected". Andrew Forrest stated that her departure was her choice to either be "on the bus or get off the bus", regarding his plan to reinvent Fortescue as a renewable energy powerhouse.⁶²

Why DeBelle left

Non-executive director DeBelle said that he learned enough from his experience at Fortescue and is now looking ahead and moving on.⁶³ He had previously left the Reserve Bank of Australia to join Fortescue, citing the need

to venture into renewable energy. This was the same reason he gave for joining the board of directors of Tivan, a critical mineral company that is focused on sustainability.⁶⁴

Forrest: Nature vs nurture

“Forrest is an extremely activist founder as executive chair constantly insisting on “stretch targets”, quick decisions and moving fast”.

– Jennifer Hewett, *Columnist at Financial Review*⁶⁵

Andrew Forrest has been reportedly difficult to work with. According to the media, “Andrew ‘Twiggy’ Forrest is a demanding boss who expects staff to work as hard as him - and refers to women as ‘darl’, ‘angel’ and ‘babe’”.⁶⁶ Even as a child, he was remembered to be “difficult and disruptive in class, rude to teachers and disliked by many of the boys”,⁶⁷ and was remembered to be “a bully”.⁶⁸ Forrest’s growth from a young boy to becoming the second wealthiest man in Australia has ensured that people around him know that he will get what he wants.⁶⁹

True to his reputation for being demanding and brusque, he had much to say about the departure of Fortescue’s ex-CFO, Morris. He stated that “Ms Morris was “very lucky” to have been appointed chief financial officer in June and had “just scraped in over an internal candidate – which was an error”.⁷⁰ Upon Morris’ departure, CEO of rival company Newcrest Mining, Sherry Duhe, publicly commented that Morris made a wise decision to leave.⁷¹

“Ore-ganic” Mining?

Fortescue states that it integrates sustainability across all business operations, considering it vital for long-term success. The CEOs oversee implementation, with support from the Sustainability Committee – chaired by Dr Baderschneider - which reports directly to the Board.⁷² Additionally, Fortescue’s green energy division aims to make renewable green hydrogen the most globally traded seaborne energy commodity.⁷³

Fortescue organises sustainable development under three main pillars, namely People, Planet and Process, with established performance metrics.⁷⁴ It leads industry climate change efforts through its Real Zero (complete fossil fuel and offset elimination) by 2030 and Net Zero emissions by 2040. To achieve these goals, Fortescue has embarked on efforts to decarbonise its Australian iron ore operations and is developing projects to globalise its green products (iron, steel, hydrogen and ammonia). Fortescue is also actively developing methods that use renewable electricity and green hydrogen to decarbonise its steelmaking process which traditionally relies on coking and thermal coal.⁷⁵

Aggressively mining for sustainability

“Carbon offsets are questionable, dangerous and far from a good investment for companies hoping to reduce their environmental impact”.

– Andrew Forrest⁷⁶

As an ecologist himself, Andrew Forrest concluded that out of all available carbon credits in the market, only a mere 10% to 15% of them represent real reductions in greenhouse gases emitted. The use of carbon credits obtained from tree planting or forest preservation projects to offset greenhouse gas emissions does not resonate with his idea of “real zero”, and instead he intends to transform his business by using energy that is entirely renewable and zero-carbon emitting technologies.⁷⁷

Fortescue announced that starting from the current financial year, it will begin implementing a policy to stop purchasing voluntary offsets, which accounted for a spending of US\$6.2 million in the fiscal year 2023, and the surrendering of 336,833 tons of credits.⁷⁸ In response to the opportunity to expand into green molecules identified by Andrew Forrest, Fortescue Energy has ambitious plans to produce 15 million tons of green

hydrogen globally using renewable energy by 2030. This is also accompanied by plans for five new energy projects in 2023 ranging from Australia to Kenya, and venturing into battery and electrolyser production in the United States.⁷⁹

In a statement released on 21 November 2023, Fortescue's board approved a Final Investment Decision on three green hydrogen projects amounting to approximately US\$750 million over the next three years. These investments aim to represent the diversity in technology and geography of Fortescue's projects.⁸⁰

Rocky paths

“What we have now is a galloping herd of people who want to see this company go green. So, if you want to step outside that, you're given a choice.”

– Andrew Forrest⁸¹

However, Fortescue's ambitions to become a green energy producer have received scepticism, with critics questioning Fortescue's ability to deliver its complex projects in new areas or even to garner enough demand for its green energy products. Several executives left Fortescue, citing disagreements with the push into green sectors following Fortescue Energy's reported annual loss of US\$617 million in its 2023 financial year.⁸² Among those who left included the CFO of Fortescue Future Industries, Felicity Gooding, who resigned in July 2023 as the Group was making the Final Investment Decision.⁸³

The series of departures of Fortescue executives reignited long-standing doubts over Andrew Forrest's leadership and whether his aggressive sustainability strategies were compatible with the profit-driven structure of Fortescue's core business - iron ore. Concerns also arose regarding the amount of money directed to Fortescue's Energy sector. Contributing to this concern was Fortescue's recent decision to remove its policy of allocating 10% of its overall profits to the green-energy sector. The implication is that metals and energy projects will now have to fight for capital on an equal basis. Fortescue executives reasoned that the removal of the policy comes naturally following final decisions to be made on various energy projects which should compete for capital based on their merits. However, analysts at Bell Potter Securities Ltd and Jefferies Inc. disagreed, stating that Fortescue's capital discipline have “gone out the window”. They warned that Fortescue risks prioritising lower-return green projects over more profitable mining projects.⁸⁴

The road to a greener future

“We're building a global renewable energy value chain with breakthrough green technology for trucks, trains, planes, and ships. We're also leading the way in electrolysers, wind turbines, solar panels, batteries, hydrogen fuel cells and the digital industry.”

– Fortescue website as of 3 June 2025⁸⁵

In the hope of meeting its sustainability goals by 2030, Fortescue has heavily invested in the research and development of green fuel alternatives, including green hydrogen and green ammonia. These efforts are powered by renewable energy sources, like solar and wind, further advancing Fortescue's decarbonisation efforts.⁸⁶

The following are some of Fortescue's green energy initiatives and achievements of Fortescue in the FY2023 financial year:

- Fortescue developed a dual-fuel ammonia-powered locomotive prototype to Solomon where it underwent field tests and preparation for mainline trials.⁸⁷
- In March 2024, Fortescue conducted a seven-week trial for an ammonia marine bunker operation in Singapore's port, using the Fortescue Green Pioneer, a dual-fuelled vessel. The operation tested the

feasibility of liquid ammonia in the vessel's piping and storage systems, leading to approval of ammonia-diesel marine fuel for future use.⁸⁸

- The Pilbara Energy Connect Project, alongside the Chichester Solar Gas Hybrid Project, will contribute 25% to Fortescue's solar-power-driven stationary energy requirements by FY2025.⁸⁹
- The Phoenix Hydrogen Hub Project refers to the acquisition and development of an 80 MW electrolyser and liquefaction facility in Arizona, USA which will begin production of up to 11,000 tonnes of liquid hydrogen per year from 2026. Located near California, a primary heavy haulage trucking route, it is positioned to introduce its green hydrogen products into the United States domestic market.⁹⁰
- The Gladstone PEM50 Project in Queensland, Australia will utilise Fortescue's proprietary electrolyser technology to begin production of green hydrogen at an industrial scale from 2025.⁹¹
- The Christmas Creek Iron Trail Commercial Plant Project will utilise existing green hydrogen infrastructure to begin production of more than 1,500 tonnes of green iron annually from 2025.⁹²

“Diversity in technology and geography at conservative scales for Fortescue projects reflects our disciplined approach to learning while we do, prior to large scale investments.”

– *Mark Hutchinson, CEO of Fortescue Energy*⁹³

Despite Fortescue's many green initiatives, its path has not been without challenges. In 2022, Andrew Forrest pledged that Fortescue would be able to produce 15 million tonnes of green hydrogen by 2030 and eliminate fossil fuels entirely from operations, whilst providing a large amount of green hydrogen to other firms. These ambitious targets sparked scepticism, with many questioning their feasibility. Rachel Fakhry, a hydrogen expert at Australia's Natural Resources Defence Council, acknowledged Andrew Forrest's intentions, but pointed out that there are missing “key pieces to make a judgement on how good this ambition is”. Concerns also remain about the long-term sustainability of green hydrogen production.⁹⁴

“While Forrest surely will be judged as being on the right side of history in his crusade to slow climate change, his extreme public relations escapades come with risks.”

– *Elizabeth Knight, Business columnist*⁹⁵

Some critics argue that Andrew Forrest's aggressive⁹⁶ push for green energy is driven more by profit than genuine concern for sustainability, as reflected in business practices that prioritise market share over environmental and social responsibility.⁹⁷ While Andrew Forrest actively portrays himself as an environmentalist, his vision for the green transition contrasts with that of the broader public. In the face of an unstable geopolitical environment, where most would adopt a cautious stance, Andrew Forrest views this uncertainty as a great opportunity to accelerate the transition to green energy.⁹⁸ At a London business gathering in July 2023, Andrew Forrest urged global leaders to disregard geopolitical tensions when determining how to distribute technology and machinery needed by the world to reduce global carbon emissions. These instances reflect his determination to maintain a competitive edge in the green energy sector, even in the face of global instability.⁹⁹

Beyond the ore

Ever since Fortescue announced its emissions reduction goals in FY2020,¹⁰⁰ it has gradually implemented various sustainability strategies to reach its target. To better align management interests with these goals, Fortescue's FY2022 remuneration framework was modified to separate Executive and Senior Staff Incentive Plan (ESSIP) and Long-Term Incentive Plan (LTIP) measures for Fortescue and its green energy arm, Fortescue Future Industries (FFI). The ESSIP rewards key management personnel (KMPs) for meeting short-term stretch objectives,

while the LTIP focuses on long-term growth and value creation, assessed over a three-year period. Further, sustainability-related performance measures - such as green hydrogen, energy, and equipment projects - are now key components of the FFI CEO's ESSIP scorecard. The CEO's KPIs also include targets like implementing decarbonisation plans and meeting 2030 green hydrogen goals.¹⁰¹

Following Andrew Forrest's appointment as Executive Chairman in August 2022, further changes have been made to the FY2023 remuneration framework. Notably, the LTIP scorecard for FFI executives removed an independent valuation component,¹⁰² which included valuation components that were not available for public disclosure.¹⁰³ This component, which previously accounted for 33% of FFI's performance measures, was redistributed to Total Shareholder Return, Emissions Elimination, and Strategic Measures.¹⁰⁴ In the FY2023 ESSIP scorecard for FFI's CEO, 30% of the performance measures were determined by efforts undertaken to meet the objectives of decarbonisation, transformation into a green industry and implementation of green projects,¹⁰⁵ compared to 20% in FY2022.¹⁰⁶

Iron bridge is falling down

In 2010, Fortescue launched the Iron Bridge Project, a high-grade magnetite venture in the Pilbara region of Western Australia.¹⁰⁷ Developed in two phases, it is set to be one of Australia's largest magnetite projects¹⁰⁸ and aims to become Australia's first magnetite project to operate using renewable energy by 2030.¹⁰⁹ This project is an unincorporated joint venture between Fortescue (60.72% stake), Baosteel Resources International Company Limited (8.28% stake) and Formosa Steel (31.0% stake).¹¹⁰ However, significant challenges arose regarding the second phase of development, as it blew past the expected cost of approximately US\$ 2.6 billion to US\$ 3.6 billion.¹¹¹

Leadership cracks

On 16 February 2021, three senior executives from Fortescue resigned amid growing investor concerns over significant cost overruns and extensive delays. The departing executives included Chief Operating Officer – Greg Lilleyman, Director of Projects – Don Hyma, and Director of Iron Bridge – Manie McDonald.¹¹²

“To lose someone in this manner, so abruptly, points to a governance issue. It is surprising as Lilleyman is an experienced executive, who can hold things together at an operational level.”

– Peter O'Connor, Analyst at Shaw and Partners¹¹³

Then-CEO Gaines attributed the departures to violations of company culture and values, also noting a communication breakdown regarding the project. Peter O'Connor, an analyst at Shaw and Partners, highlighted broader issues in management and decision-making, estimating a cost overrun of up to 35%.¹¹⁴ By 31 May 2021, the project had exceeded its budget by US\$900 million, ballooning the total cost to a staggering US\$3.5 billion.¹¹⁵ In response, Gaines and Fortescue's CFO, Wells, forfeited all their incentive payments for that financial year.¹¹⁶ Despite these setbacks, Fortescue reaffirmed its commitment to the project, emphasising the need for technical optimisation and experienced leadership.

The cost overrun led to the termination of major contracts,¹¹⁷ affecting around 380 contractor jobs,¹¹⁸ though Fortescue sought to reassign affected workers where possible. While cost blowouts are not uncommon in Australian Magnetite projects, such as CITIC Pacific Mining,¹¹⁹ these executive exits may point to deeper governance issues. Production at Iron Bridge eventually began in May 2023, with reports estimating that the total cost of the project amounted to A\$6.2 billion as of May 2025.¹²⁰

After Gaines' announcement about the senior executives' departures on 16 February 2021, Fortescue's shares plunged by as much as 6.3%.¹²¹

Digging deep into the sacred sites' destruction

The relationship between the mining industry and Aboriginal Australians involves a delicate balance between business interests and ethical obligations.¹²² With a deep spiritual connection with the land,¹²³ the Aboriginal communities have a history of conflicts with industrial developments,¹²⁴ particularly mining, accounting for over 24.7% of environmental conflicts.¹²⁵ This persists despite legal protections, such as Section 18 of the Aboriginal Heritage Act 1972,¹²⁶ which requires approval from the Minister for Aboriginal Affairs if there are significant impacts and harm to Aboriginal sites.¹²⁷ Fortescue's involvement in controversies regarding the destruction of sacred sites underscores the ongoing challenges in corporate responsibility and respect for indigenous rights.

The Wintawari Guruma people's case

In December 2019, Fortescue applied under Section 18 of the Aboriginal Heritage Act to expand its Queens mine, potentially destroying Eastern Guruma sites at Weelamurra Creek,¹²⁸ despite knowing that the Wintawari Guruma Aboriginal Corporation (WGAC), had just been authorised to conduct cultural surveys there.¹²⁹ Section 18 allows companies to apply for permission to disturb or destroy sites without seeking approval or consultation from traditional owners.¹³⁰

However, by February 2020, further assessments confirmed that Weelamurra Creek housed culturally significant sites.¹³¹ The Aboriginal Cultural Materials Committee (ACMC), tasked with processing the Section 18 application, recommended postponing the approval, urging Fortescue to consult the WGAC first.¹³² In April 2020, Fortescue stated that it “does not intend” to follow the request, threatening legal action against the ACMC if it did not make a recommendation to the Minister immediately.¹³³ On 13 May 2020, the ACMC ultimately granted Section 18 consent.¹³⁴

On June 9, 2020, Fortescue embarked on its Queen's Mine expansion plan, which affected over 70 heritage sites.¹³⁵ Fortescue had state permission to clear the land in the Weelamurra Creek area, which belonged and is significant to an Aboriginal group, the Wintawari Guruma people.¹³⁶ While permission was given for the land clearance under Section 18, there was an accompanying key condition that Fortescue overlooked: at least two community elders must be there to supervise and salvage cultural artefacts.¹³⁷ Due to a manual transcript error, Fortescue began land clearing prematurely on 1 February 2021 without the presence of the elders.¹³⁸

One-sided agreement

Adding to the tension, Fortescue delayed a A\$1.9 million royalty payment to WGAC for a year, despite the payment being tied to existing agreements on Eastern Guruma land.¹³⁹ This delay occurred after the WGAC requested for further information about a proposed mining project.¹⁴⁰ Although the payment was due on 31 January 2020, it was only made in early February 2021.¹⁴¹

“Fortescue routinely withholds information from the corporation [WGAC], contrary to the terms of our agreement,”

– *Joselyn Hicks, WGAC Director*¹⁴²

WGAC urged Fortescue to reconsider its approach, as the proposed mining areas encompassed numerous sacred sites.¹⁴³ Fortescue responded that royalty payments would only be made once the mining lease was signed, effectively leaving WGAC with little leverage to protect these culturally significant areas.¹⁴⁴ Over the following year, WGAC issued six notices to Fortescue that they had violated the existing agreements,¹⁴⁵ but, without enforceable penalties, WGAC gave up on this form of protest.¹⁴⁶ WGAC director, Joselyn Hicks, stated that WGAC was at times forced to plead with Fortescue to spare their sacred sites. In contrast, Fortescue's then CEO Gaines emphasised that Fortescue took its relationship with traditional owners seriously.¹⁴⁷

Too little, too late?

On 24 February 2021, Gaines apologised for the breach in legislation and took steps to rectify the situation.¹⁴⁸ She attributed this oversight to an administrative error. However, the damage had already been done.¹⁴⁹

“I have spoken to Wintawari Guruma Aboriginal Corporation (WGAC) Chairman Glen Camille regarding this incident to personally express my regret and sincere apology on behalf of Fortescue.”

– Elizabeth Gaines, Former CEO of Fortescue¹⁵⁰

WGAC expressed its disappointment with Fortescue’s actions, especially after extensive negotiation for the Aboriginal elders’ presence during the land clearance, which WGAC took as ignorance for the Wintawari Guruma people’s cultural heritage. WGAC’s chairman, Glen Camille, urged the government to prosecute Fortescue, and an official investigation treated with the highest priority by the Department of Planning, Lands and Heritage was launched.¹⁵¹ Findings show that 0.73 hectares were cleared by a bulldozer driven by a Fortescue employee after a “communication breakdown and a failure to follow internal protocols”.¹⁵²

On 27 November 2021, Fortescue pleaded guilty to two counts of breaching Section 18 of the Aboriginal Heritage Act 1972.¹⁵³ Fortescue has since introduced several measures to mitigate the risk of human error and prevent the repeat of similar incidents in the future.¹⁵⁴

A happy ending

On the same day of the incident, Fortescue halted the clearing and promptly informed the authorities.¹⁵⁵ Eventually, the prosecutor concluded that no Aboriginal sites or objects were damaged.¹⁵⁶ The authorities acknowledged Fortescue’s swift action to correct the mistake, and the Wintawari acknowledged and supported Fortescue’s corrective efforts.¹⁵⁷ A letter to the court from the Wintawari confirmed that they worked together with Fortescue for six months to recover and preserve cultural artefacts from the site, expressing satisfactory outcomes.¹⁵⁸

On September 2021, approximately seven months following the incident, Fortescue and the WGAC entered a joint venture, valued at A\$500 million and set to last ten years.¹⁵⁹ They will focus on mining iron ore in the Eastern Guruma country, including the initial site of the incident, signalling reconciliation and collaboration between the two parties.¹⁶⁰

Pebble-sized punishment

Fortescue was initially fined A\$10,000 with a suspension period of twelve months for each of the two offences. However, since Fortescue had no prior convictions under the Act, they would be exempt from paying any fines if no further offences occurred within a year.¹⁶¹ Fortescue had to cover A\$3,000 in legal expenses incurred by the Department of Planning, Lands, and Heritage.¹⁶² The imposed penalty was modest in contrast to the maximum fine of A\$50,000 for a first offence, especially given Fortescue’s massive scale of operations.¹⁶³

After the dust settles

After a rocky year filled with ups and downs, will Fortescue finally see through all the fog? As Andrew Forrest trudges down the unpaved path towards his sustainability goals, investors look to see when the next high-level executive will leave, and when the next stone will get thrown at the mining company. But for all we know, Fortescue will always have its one and only “Twiggy” to turn to.

Discussion questions

1. What are the pros and cons of a company with a dominant founder like Fortescue?
2. Discuss the impact of the ownership structure of Fortescue on Fortescue's corporate culture and corporate governance.
3. How can family issues affect the corporate governance of a family-controlled company like Fortescue and how can a family mitigate the risk of family governance adversely affected the business?
4. Critically evaluate the board structure and composition of Fortescue as of FY2024.
5. Discuss the high turnover of key executives at Fortescue and how this might affect the company. In the case of Fortescue, do you think the executives should have left or be made to leave?
6. Evaluate the remuneration policy for senior executives of Fortescue. Discuss the rationale for giving out "special recognition bonuses" to high-level executives who left the company and the problems associated with such payouts.
7. Evaluate the actions undertaken by Fortescue towards achieving its sustainability goals and how the company links sustainability-related factors to executive remuneration. What are the key considerations in integrating sustainability-related factors into executive remuneration?
8. Evaluate how effectively Fortescue managed its relationships with the Aboriginal communities affected by its operations. How can Fortescue better align sustainable mining practices and respect for indigenous rights?
9. What are the key attributes in an effective whistleblowing policy and factors that affect its effectiveness? Evaluate Fortescue's whistleblowing policy and its effectiveness.

APPENDIX A: Fortescue's Board Composition as of 30 June 2024¹⁶⁴

Board Composition Summary as of 2023		
Dr Andrew Forrest AO	Role	<ul style="list-style-type: none"> Executive Chairman Founder of Fortescue, Munderoo Foundation, and Tattarang
	Committee	<ul style="list-style-type: none"> Nomination Committee (<i>Member</i>) Finance Committee (<i>Member</i>)
	Notable Experience	<p>A global business and philanthropic leader, Andrew Forrest is focused on ending fossil fuel reliance and addressing global challenges such as climate change, modern slavery, and plastic pollution. Under his leadership, Fortescue has become one of the world's largest iron ore producers and a leader in green technology. He holds a PhD in Marine Ecology and has been recognised with numerous honours, including appointment as an Officer of the Order of Australia.</p>
Mark Barnaba AM CitWA	Role	<ul style="list-style-type: none"> Lead Independent Director (<i>since Nov 2014</i>) Deputy Chairman (<i>since November 2017</i>) Non-Executive Director (<i>since 2010</i>)
	Committee	<ul style="list-style-type: none"> Audit, Finance and Risk Management Committee (<i>Chair</i>) People, Remuneration and Nomination Committee (<i>Member</i>) Safety and Sustainability Committee (<i>Member</i>)
	Notable Experience	<p>Barnaba has a distinguished career in finance and corporate advisory. He has served two terms on the Reserve Bank of Australia's Board and chaired its audit committee. He founded GEM Consulting and Azure Capital and held senior roles at Macquarie Group. He holds an MBA from Harvard Business School (as a Baker Scholar), and an Honorary Doctorate of Commerce. He is also an adjunct professor in finance and has extensive board experience across commercial and nonprofit sectors.</p>
Elizabeth Gaines	Role	<ul style="list-style-type: none"> Executive Director (<i>since June 2023</i>) Global Ambassador (<i>since August 2022</i>)
	Committee	<ul style="list-style-type: none"> <i>Not involved.</i>
	Notable Experience	<p>Formerly Fortescue's CEO and CFO, Gaines has extensive leadership experience across listed and private companies, particularly in the resources sector. She has been instrumental in Fortescue's decarbonisation strategy. Gaines holds a Master of Applied Finance from Macquarie University and is a Fellow of Chartered Accountants ANZ. She has received multiple national awards for business leadership, and has been ranked second in Fortune magazine's businessperson of the year in 2020.</p>
Lord Sebastian Coe CH, KBE	Role	<ul style="list-style-type: none"> Non-Executive Director (<i>since February 2018</i>)
	Committee	<ul style="list-style-type: none"> People, Remuneration and Nomination Committee (<i>Member</i>)
	Notable Experience	<p>Lord Coe is globally recognised for his leadership in sport and governance. He chaired the London 2012 Olympics, serves as President of World Athletics, and is a member of the International Olympic Committee. A former UK Member of Parliament and member of the House of Lords, he brings vast experience in public service and international sport. He is Chancellor of Loughborough University and holds honours for both his athletic and administrative achievements.</p>

Board Composition Summary as of 2023		
Dr Jean Baderschneider	Role	<ul style="list-style-type: none"> Non-Executive Director (<i>since January 2015</i>)
	Committee	<ul style="list-style-type: none"> Safety and Sustainability Committee (<i>Chair</i>) People, Remuneration and Nomination Committee (<i>Member</i>) Audit, Finance and Risk Management Committee (<i>Member</i>)
	Notable Experience	<ul style="list-style-type: none"> Dr Baderschneider brings over 35 years of international experience in supply chain management, strategic sourcing, and sustainability, having served as Vice-President of Global Procurement at ExxonMobil. She holds a Master's degree from the University of Michigan and a PhD from Cornell University. A prominent advocate against modern slavery, she serves on numerous global boards including the Global Fund to End Modern Slavery, and the UN COP29 advisory committee.
Penny Bingham-Hall	Role	<ul style="list-style-type: none"> Non-Executive Director (<i>since 2016</i>)
	Committee	<ul style="list-style-type: none"> People, Remuneration and Nomination Committee (<i>Chair</i>) Audit, Finance and Risk Management Committee (<i>Member</i>) Safety and Sustainability Committee (<i>Member</i>)
	Notable Experience	<ul style="list-style-type: none"> Bingham-Hall has over three decades of leadership experience across infrastructure, mining, and property industries. Formerly Executive General Manager, Strategy at Leighton Holdings, she has served on the boards of several major ASX-listed and public organisations. Her governance work reflects a strong focus on sustainability, Indigenous employment, and workplace safety. She holds a Bachelor of Arts in Industrial Design and is a Fellow of the Australian Institute of Company Directors.
Dr Larry Marshall, FF, FAICD, FAIP, FTSE	Role	<ul style="list-style-type: none"> Non-Executive Director (<i>since August 2023</i>)
	Committee	<ul style="list-style-type: none"> Audit, Finance and Risk Management Committee (<i>Member</i>) Safety and Sustainability Committee (<i>Member</i>)
	Notable Experience	<ul style="list-style-type: none"> Dr Marshall is a physicist, innovator, and entrepreneur, best known for transforming the CSIRO during his tenure as its longest-serving Chief Executive. He has co-founded six high-tech companies and served on 20 boards across Australia, the US, and China. He holds a PhD in Physics, has published over 100 papers, holds 20 patents, and is a Fellow of the AICD, AIP, and ATSE. He is an advocate for science-driven economic growth and author of a book on innovation.
Yifei Li	Role	<ul style="list-style-type: none"> Non-Executive Director (<i>since August 2022</i>)
	Committee	<ul style="list-style-type: none"> People, Remuneration and Nomination Committee (<i>Member</i>)
	Notable Experience	<ul style="list-style-type: none"> Li is a business leader with significant experience in expanding global companies in China, having held senior roles at Viacom, MTV, and Publicis Group. She was formerly Country Chair of Man Group in China and served as a Global Trustee of the Rockefeller Foundation. She holds a Bachelor of Law from the Foreign Affairs College in Beijing and a Master's in International Relations from Baylor University. She currently serves on the board of BlackRock China.

Board Composition Summary as of 2023		
Usha Rao-Monari	Role	<ul style="list-style-type: none"> Non-Executive Director (<i>since January 2024</i>)
	Committee	<ul style="list-style-type: none"> Audit, Finance and Risk Management Committee (<i>Member</i>) Safety and Sustainability Committee (<i>Member</i>)
	Notable Experience	<ul style="list-style-type: none"> Rao-Monari has over 25 years of leadership in infrastructure investment and environmental finance, with senior roles at the United Nations, Blackstone Group, and the International Finance Corporation. She is active on several global sustainability advisory panels. She holds a Master's in International Affairs and Finance from Columbia University, a Master's in Management from Jamnalal Bajaj Institute, and a BA in Economics from Delhi University, with additional executive education from Harvard Business School.
Noel Pearson	Role	<ul style="list-style-type: none"> Non-Executive Director (<i>since August 2024</i>)
	Committee	<ul style="list-style-type: none"> <i>Not involved.</i>
	Notable Experience	<ul style="list-style-type: none"> Pearson is a leading Indigenous advocate, lawyer, and policy reformer from the Guugu Yimithirr community of Cape York. He co-founded the Cape York Land Council and was instrumental in shaping the Native Title Act following the Mabo decision. A graduate in History and Law from the University of Sydney, he leads initiatives in education and empowerment and continues to be a prominent voice in Indigenous constitutional recognition and policy reform.

Endnotes

- 1 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6
- 2 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 3 IBISWorld (2024). Fortescue Ltd - Australian Company Profile. Retrieved from <https://www.ibisworld.com/australia/company/fortescue-ltd/9192/>
- 4 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 5 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6.
- 6 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 7 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6.
- 8 au.investing.com. (2025). Fortescue Metals Group Ltd (FMG): Top Institutional Holders. Retrieved from <https://au.investing.com/equities/fortescue-metals-ownership>
- 9 Agarwal, U. (2020, July 4). Andrew Forrest Biography: Success Story of Fortescue Metals Group CEO. *VyapaarJagat.com*. Retrieved from <https://www.vyapaarjagat.com/international/andrew-forrest/>
- 10 Ker, P., & Thompson, B. (2023, July 12). Andrew and Nicola Forrest to pursue separate lives. *Australian Financial Review*. Retrieved from <https://www.afr.com/companies/mining/andrew-and-nicola-forrest-to-pursue-separate-lives-20230712-p5dnpi#:~:text=She%20met%20Andrew%20Forrest%20at>
- 11 Hastie, H. (2019, December 5). The Doctor is in: Andrew “Twiggy” Forrest gets PhD in marine science. *The Sydney Morning Herald*. Retrieved from <https://www.smh.com.au/business/companies/the-doctor-is-in-andrew-twiggy-forrest-gets-phd-in-marine-science-20191205-p53hcr.html>
- 12 Tasker, S. (2023, July 12). Why Australia’s richest couple have called it quits. *The West Australian*. Retrieved from <https://thewest.com.au/business/billionaires-andrew-and-nicola-forrest-announce-they-have-separated-c-11259268>
- 13 9News. (2023, August 31). “Nic and I are lockstep”: Andrew Forrest gives first interview since split from wife Nicola. *9News*. Retrieved from <https://www.9news.com.au/national/andrew-forrest-twiggy-split-nicola-forrest-first-interview-fortescue-metals-group/b278d0bb-867b-40df-b157-573ce8cc2a8f>
- 14 Ibid.
- 15 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 16 Reuters. (2023, June 21). Fortescue’s Forrest transfers \$3.39 billion stake to his charitable foundation. *Reuters*. Retrieved from <https://www.reuters.com/business/fortescues-forrest-transfers-339-bln-stake-his-charitable-foundation-2023-06-21/>
- 17 Aitchison, M. (2023, July 12). The tell-tale signs Australia’s richest couple were going to break up. *Mail Online*. Retrieved from <https://www.dailymail.co.uk/news/article-12291217/The-tell-tale-signs-Australias-richest-couple-Andrew-Forrest-wife-Nicola-breaking-up.html>
- 18 9News. (2023, August 31). “Nic and I are lockstep”: Andrew Forrest gives first interview since split from wife Nicola. *9News*. Retrieved from <https://www.9news.com.au/national/andrew-forrest-twiggy-split-nicola-forrest-first-interview-fortescue-metals-group/b278d0bb-867b-40df-b157-573ce8cc2a8f>
- 19 Ker, P., & Thompson, B. (2023, July 19). In the Forrest family empire, it’s all a matter of trust. *Financial Review*. Retrieved from <https://www.afr.com/companies/mining/in-the-forrest-family-empire-it-s-all-a-matter-of-trust-20230718-p5dp39>
- 20 Stevens, K. (2023, August 30). Mining magnate breaks silence on marriage split. *Mail Online*. Retrieved from <https://www.dailymail.co.uk/news/article-12462967/Twiggy-Forrest-reveals-real-reason-wife-Nicola-split.html>
- 21 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 22 Ibid.

- 23 *Ibid.*
- 24 Fortescue. (2024). 2024 Corporate Governance Statement. *Fortescue*. Retrieved from <https://edge.sitecorecloud.io/fortescue17114-fortescueeb60-productionbbdb-8be5/media/project/fortescueportal/shared/docs/default-source/announcements-and-reports/fy24-corporate-governance-statement.pdf>
- 25 Thompson, B. (2023). Fortescue pulls trigger on \$1.1b in green energy projects. *Financial Review* Retrieved from <https://www.afr.com/companies/mining/fortescue-pulls-trigger-on-1-14-billion-in-green-energy-projects-20231114-p5ejrm>
- 26 Burton, M. (2023, November 21). Resources firm Fortescue's shareholders vote against remuneration report. *Reuters*. Retrieved from <https://www.reuters.com/markets/commodities/fortescue-shareholders-vote-against-remuneration-report-2023-11-21/>
- 27 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 28 Lawler, M. (2023, November 2). "Out of line": Why Fortescue bosses may have to sing for their supper. *The Motley Fool Australia*. Retrieved from <https://www.fool.com.au/2023/11/03/out-of-line-why-fortescue-bosses-may-have-to-sing-for-their-supper/>
- 29 *Ibid.*
- 30 Pyburne, P., & Murphy, J. (2022, September 13). Executive remuneration: a quick guide. *Parliament of Australia*. Retrieved from https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/Quick_Guides/2022-23/ExecutiveRemuneration
- 31 Barrett, J. (2023, November 21). Shareholders of mining company Fortescue deliver protest vote against executive pay plans. *The Guardian*. Retrieved from <https://www.theguardian.com/australia-news/2023/nov/21/fortescue-executive-pay-plans-strike-shareholders-annual-general-meeting>
- 32 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6
- 33 Fowler, E. (2023, November 2). FMG ASX: Fortescue faces shareholder revolt over 'special' exec payments. *Australian Financial Review*. Retrieved from <https://www.afr.com/companies/mining/fortescue-faces-shareholder-revolt-over-special-exec-payments-20231102-p5egxh#:~:text=In%20his%20report%2C%20CGI%20Glass,chairs%20of%20ASX%2020%20entities%E2%80%9D>
- 34 Rauso, A. (2023, November 21). Andrew Forrest defiant as Fortescue execs hit with first strike against pay packets at 2023 AGM. *The West Australian*. Retrieved from <https://thewest.com.au/business/mining/fortescue-metals-group-hit-with-first-strike-against-pay-packets-at-2023-annual-general-meeting--c-12629889>
- 35 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 36 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6.
- 37 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 38 *Ibid.*
- 39 *Ibid.*
- 40 Fortescue. (n.d.). Charter. In Remuneration and People Committee Document 100-PO-AD-0030 Rev: 3 (pp. 1–6). Retrieved from [https://cdn.fortescue.com/docs/default-source/corporate-governance/100-po-ad-0030_rev-4-remuneration-and-people-committee-charter-\(final\).pdf?sfvrsn=51c7d84c_4/%20100-PO-AD-0030_Rev-4-Remuneration-and-People-Committee-Charter-\(Final\)%20.pdf](https://cdn.fortescue.com/docs/default-source/corporate-governance/100-po-ad-0030_rev-4-remuneration-and-people-committee-charter-(final).pdf?sfvrsn=51c7d84c_4/%20100-PO-AD-0030_Rev-4-Remuneration-and-People-Committee-Charter-(Final)%20.pdf)
- 41 Fortescue. (2024, Aug 28). Appointment of lead independent director. *ASX Release*. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/appointment-of-lead-independent-director.pdf?sfvrsn=1bab6c9c_5
- 42 Rauso, A. (2023, November 2). Mark Barnaba's fate up in the air ahead of Fortescue Metals Group's AGM later this month. *The West Australian*. Retrieved from <https://thewest.com.au/business/mining/mark-barnabas-fate-up-in-the-air-ahead-of-fortescue-metals-groups-agm-later-this-month-c-12411698>
- 43 EGAN Associates. (n.d.). ASX Corporate Governance Principles and Recommendations. Retrieved from <https://eganassociates.com.au/asx-corporate-governance-principles-and-recommendations-2/>
- 44 Company Secretariat. (12 January 2024). WHISTLEBLOWER HOTLINE. Retrieved from [https://cdn.fortescue.com/docs/default-source/corporate-governance/100-po-go-0002_2---whistleblower-hotline-policy-\(final\).pdf?sfvrsn=f38308ec_3](https://cdn.fortescue.com/docs/default-source/corporate-governance/100-po-go-0002_2---whistleblower-hotline-policy-(final).pdf?sfvrsn=f38308ec_3)
- 45 *Ibid.*
- 46 *Ibid.*

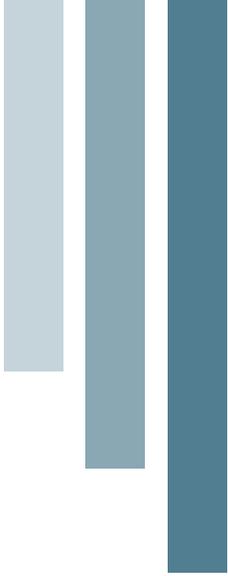
- 47 Thompson, B. (2023, February 8). Fortescue faces 34 charges over sexual harassment documents. *Financial Review*. Retrieved from <https://www.afr.com/companies/mining/fortescue-charged-over-sexual-harassment-documents-20230208-p5cj2f>
- 48 Aitchison, M. (2023, August 28). Shock as boss of Fortescue Metals Group - Andrew 'Twiggy' Forrest's mining giant - quits after just six months on the job. *Daily Mail Australia*. Retrieved from <https://www.dailymail.co.uk/news/article-12451791/andrew-forrest-fortescue-fiona-hick-quits.html>
- 49 Thompson, B. (2023, February 13). Fortescue wants to redact sexual harassment case records. *Financial Review*. Retrieved from <https://www.afr.com/companies/mining/fortescue-wants-to-redact-sexual-harassment-case-records-20230213-p5ck8b>
- 50 Smith, S. (2023, August 28). Fortescue Metals Group sacks dozens over harassment, bullying and other misconduct. *The West Australia*. Retrieved from <https://thewest.com.au/business/workplace-matters/fortescue-metals-group-sacks-dozens-over-harassment-bullying-and-other-misconduct--c-11725067>
- 51 Thompson, B., & Ker, Peter. (2023, July 16). Andrew Forrest cleared of wrongdoing in secret probe. *Australian Financial Review*. Retrieved from <https://www.afr.com/companies/mining/andrew-forrest-cleared-of-wrongdoing-in-secret-probe-20230713-p5do4x>
- 52 ABC. (2023, July 17). Andrew Forrest cleared of wrongdoing after Fortescue Metals reviewed anonymous claims of inappropriate behaviour. *ABC News*. Retrieved from <https://www.abc.net.au/news/2023-07-17/andrew-forrest-fortescue-metals-behaviour-investigation-cleared/102610462>
- 53 Jamasmie, C. (2023, December 19). Fortescue settles sexual harassment dispute in A\$1.4 million deal. *Mining.com*. Retrieved from [https://www.mining.com/fortescue-settles-sexual-harassment-dispute-in-a-1-4-million-deal/#:~:text=Fortescue%20settles%20sexual%20harassment%20dispute%20in%20A%241.4%20million%20deal&text=\(Stock%20image.\),its%20mine%20sites%20in%20Australia.](https://www.mining.com/fortescue-settles-sexual-harassment-dispute-in-a-1-4-million-deal/#:~:text=Fortescue%20settles%20sexual%20harassment%20dispute%20in%20A%241.4%20million%20deal&text=(Stock%20image.),its%20mine%20sites%20in%20Australia.)
- 54 Bourke, K. (2023, December 18). WorkSafe drops charges against Fortescue Metals Group over documents relating to sexual harassment. *ABC News*. Retrieved from <https://www.abc.net.au/news/2023-12-18/fortescue-worksafe-sexual-harassment-documents/103243416>
- 55 Vieira, I. (2023, December 18). Fortescue to spend \$1.4m to address workplace issues. *Business News*. Retrieved from <https://www.businessnews.com.au/article/Fortescue-to-spend-14m-to-address-workplace-issues>
- 56 Harrison, T. (2023, August 28). Fortescue share price falls after dividend drop, profit down 23% in FY23 result. *The Motley Fool*. Retrieved from <https://www.fool.com.au/2023/08/28/fortescue-share-price-falls-after-dividend-drop-profit-down-23-in-fy23-result/>
- 57 Manekar, S and Nair, R. (2023, September 1). Fortescue executive rout continues as DeBelle quits green unit. *Reuters*. Retrieved from <https://www.reuters.com/business/energy/guy-debelle-leaves-fortescue-green-energy-unit-third-senior-exit-week-2023-08-31/>
- 58 Zadvirna, D. (2023, September 1). Andrew Forrest's Fortescue Metals Group loses another executive as Guy DeBelle exits. *ABC News*. Retrieved from <https://www.abc.net.au/news/2023-09-01/guy-debelle-quits-andrew-forrests-fortescue-future-industries/102803068>
- 59 Thompson, B. (2023, August 30). Forrest claims Hick didn't support green vision. *Australian Financial Review*. Retrieved from <https://www.afr.com/companies/mining/forrest-claims-hick-didn-t-support-green-vision-20230830-p5e0j3>
- 60 Foster, M. (2023, September 1). How to Address the Sustainability Risks of Iron Ore and Coking Coal in the Iron & Steel Industry. *Medium*. Retrieved from <https://medium.com/@meredithfosterjo/how-to-address-the-sustainability-risks-of-iron-ore-and-coking-coal-in-the-iron-steel-industry-b89e1294fc47#:~:text=Sourcing%20iron%20ore%20and%20coking,industry%20cannot%20afford%20to%20overlook>
- 61 Tomazin, F and Johanson, S. (2022, September 30). 'Take the first step': Fortescue to spend \$9.2b to stop using fossil fuels by 2030. *The Sydney Morning Herald*. Retrieved from <https://www.smh.com.au/business/companies/fortescue-to-spend-9-2b-to-eliminate-fossil-fuel-use-by-2030-20220920-p5bjfq.html>
- 62 Ker, P. (2023, September 15). Fortescue executive was 'very wise' to quit, says rival mining boss. *Financial Review*. Retrieved from <https://www.afr.com/companies/mining/fortescue-executive-was-very-wise-to-quit-says-rival-mining-boss-20230915-p5e4zt>
- 63 Potter, B. (2023, September 1). Guy DeBelle quits Fortescue, the third senior exit in a week. *Financial Review*. Retrieved from <https://www.afr.com/policy/energy-and-climate/guy-debelle-quits-fortescue-in-the-third-senior-exit-this-week-20230831-p5e14z#:~:text=%E2%80%9CI%27m%20moving%20on>
- 64 Khadem, N and Janda, M. (2022, March 10). RBA deputy governor Guy DeBelle to join Fortescue's renewable energy push. *ABC News*. Retrieved from <https://www.abc.net.au/news/2022-03-10/rba-deputy-governor-guy-debelle-joins-fortescue-renewable-energy/100899146>
- 65 Hewett, J. (2023, September 1). Forrest says Fortescue now back on track to future. *Financial Review*. Retrieved from <https://www.afr.com/companies/mining/forrest-says-fortescue-now-back-on-track-to-future-20230903-p5e1n8>

- 66 Sutton, C. (2023, July 23). Andrew ‘Twiggy’ Forrest: Billionaire loves knockabout reputation, calls women ‘angel’ and ‘babe’.. and believes Aboriginal stockman is the key to his success. *DailyMail.co*. Retrieved from <https://www.dailymail.co.uk/news/article-12298085/What-Andrew-Twiggy-Forrest-really-like-Anti-slavery-billionaire-calls-women-darl-babe.html>
- 67 Tregonning, K. (n.d.). FISTICUFFS AND FAILURES. *Erenow*. Retrieved from <https://erenow.org/biographies/twiggy-high-stakes-life-of-andrew-forrest/4.php>
- 68 Whittington, T. (2023, September 5). Maybe its time for Dr Forrest to do another PHD. *LinkedIn*. Retrieved from <https://www.linkedin.com/pulse/maybe-its-time-dr-forrest-do-another-phd-trevor-whittington/>
- 69 Mascarenhas, C. (2023, July 17). Fortescue probed claims of Andrew Forrest’s ‘relationship with employee’. *News.com.au*. Retrieved from <https://www.news.com.au/finance/business/mining/fortescue-probed-claims-of-andrew-forrests-relationship-with-employee/news-story/c6270359ca4c6ab5032a3dd3e38254d4>
- 70 Stensholt, J and Williams, P. (2023, September 1). Billionaire Andrew Forrest’s boiler room implosion at Fortescue Metals Group. *The Australian*. Retrieved from https://www.theaustralian.com.au/subscribe/news/1/?sourceCode=TAWEB_WRE170_a_GGL&dest=https%3A%2F%2Fwww.theaustralian.com.au%2Fbusiness%2Fmining-energy%2Fbillionaire-andrew-forrests-boiler-room-implosion-at-fortescue-metals-group%2Fnews-story%2F1d1de9b3c1684bd66faa58b3b766ecf5&memtype=anonymous&mode=premium&v21=HIGH-Segment-2-SCORE&V21spcbehaviour=appendend
- 71 Ker, P. (2023, September 15). Fortescue executive was ‘very wise’ to quit, says rival mining boss. *Financial Review*. Retrieved from <https://www.afr.com/companies/mining/fortescue-executive-was-very-wise-to-quit-says-rival-mining-boss-20230915-p5e4zt>
- 72 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>
- 73 BusinessNews. (n.d.). Fortescue Energy. *Business News*. Retrieved from <https://www.businessnews.com.au/Company/Fortescue-Energy>
- 74 Fortescue. (2024, August 28). FY24 Sustainability Report. *Fortescue*. Retrieved from <https://www.listcorp.com/asx/fmg/fortescue-ltd/news/fy24-sustainability-report-3075299.html>
- 75 Fortescue. (2024, September). Climate Transition Plan. *Fortescue*. Retrieved from <https://edge.sitecorecloud.io/fortescue17114-fortescueeb60-productionbbdb-8be5/media/project/fortescueportal/shared/documents/publications/environment-publications/climate-transition-plan.pdf>
- 76 Harvey, F. (2022, September 29). Companies using carbon credits to ‘cover their tracks,’ says iron ore billionaire. *The Guardian*. Retrieved from <https://www.theguardian.com/environment/2022/sep/29/companies-using-carbon-credits-to-cover-their-tracks-says-iron-ore-billionaire-andrew-forrest>
- 77 *Ibid.*
- 78 Stringer, D. (2023, September 20). Billionaire Forrest’s Fortescue to Stop Using Carbon Offsets. *Bloomberg*. Retrieved from <https://www.bloomberg.com/news/articles/2023-09-20/billionaire-forrest-s-fortescue-to-stop-using-carbon-offsets>
- 79 Deaux, J. (2023, September 19). Fortescue Brushes Aside Worries, Says Exits Show Resolute Board. *Bloomberg*. Retrieved from <https://www.bloomberg.com/news/articles/2023-09-19/australia-s-fortescue-says-investors-welcomed-decisive-move-on-executives>
- 80 Fortescue. (2023, November 21). ASX release. *Fortescue*. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2644422.pdf?sfvrsn=a008e01c_14
- 81 Nadig, S. (2023, November 7). A rough year for Australia’s Fortescue. *Mining Technology*. Retrieved from <https://www.mining-technology.com/features/a-rough-year-for-australias-fortescue/>
- 82 Stringer, D. (2023, November 20). Forrest’s Fortescue Begins \$750 Million Clean Energy Shift. *BNN Bloomberg*. Retrieved from <https://www.bloomberg.com/news/articles/2023-11-20/forrest-s-fortescue-begins-750-million-push-into-green-energy?embedded-checkout=true>
- 83 Thompson, B. (2023, July 24). Forrest insider quits key role at Fortescue Future Industries. *Financial Review*. Retrieved from <https://www.afr.com/companies/mining/forrest-insider-quits-key-role-at-fortescue-future-industries-20230724-p5dquh>
- 84 Scott, J., & Gross, S. (2023, September 8). Leadership Doubts Threaten Fortescue Founder’s Green Mission. *Bloomberg*. Retrieved from <https://www.bloomberg.com/news/articles/2023-09-07/leadership-doubts-threaten-fortescue-founder-s-green-reinvention>
- 85 Fortescue. (n.d.). *Green energy tech*. Retrieved from <https://fortescue.com/what-we-do/green-energy-research>
- 86 *Ibid.*
- 87 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6.

- 88 Reuters. (2024, March 15). Fortescue conducts world's first ammonia bunker trial in Singapore. *Reuters*. Retrieved from <https://www.reuters.com/sustainability/fortescue-conducts-worlds-first-ammonia-bunker-trial-singapore-2024-03-15/>
- 89 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6.
- 90 Tisheva, P. (2023, November 21). Fortescue to proceed with hydrogen, green metal projects in US, Australia. *Renewables Now*. Retrieved from <https://renewablesnow.com/news/fortescue-to-proceed-with-hydrogen-green-metal-projects-in-us-australia-840864/>
- 91 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6.
- 92 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6.
- 93 Tisheva, P. (2023, November 21). Fortescue to proceed with hydrogen, green metal projects in US, Australia. *Renewables Now*. Retrieved from <https://renewablesnow.com/news/fortescue-to-proceed-with-hydrogen-green-metal-projects-in-us-australia-840864/>
- 94 Halper, E. (2022, December 5). An Australian mining magnate wants to save the planet with green hydrogen. *The Washington Post*. Retrieved from <https://www.washingtonpost.com/climate-solutions/2022/11/24/twiggy-forrest-green-hydrogen/>
- 95 Knight, E. (2024, January 15). For some billionaires, limitless funds promote extreme behaviour – and that's a risk. *The Sydney Morning Herald*. Retrieved from <https://www.smh.com.au/culture/celebrity/for-some-billionaires-limitless-funds-promote-extreme-behaviour-and-that-s-a-risk-20240115-p5exdr.html>
- 96 *Ibid.*
- 97 Dite, C. (2023, October 23). A Green Transition Won't Be Led By Billionaires. *Jacobin*. Retrieved from <https://jacobin.com/2023/10/australia-greenwashing-billionaires-andrew-forrest-mining>
- 98 Dite, C. (2023, October 23). A Green Transition Won't Be Led By Billionaires. *Jacobin*. Retrieved from <https://jacobin.com/2023/10/australia-greenwashing-billionaires-andrew-forrest-mining>
- 99 van Leeuwen, H. (2023, July 11). Forrest poised to open battery making hub – but in the US. *The Australian Financial Review*. Retrieved from <https://www.afr.com/companies/energy/biden-s-green-bounty-pushes-forrest-to-open-us-battery-making-hub-20230710-p5dn7z>
- 100 Fortescue. (2020). FY20 Sustainability Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/fy20-sustainability-report70e7a165bdb94c7ba4da369d4a9b0d27.pdf?sfvrsn=fb5eed39_1
- 101 Fortescue. (2022). FY22 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2427052-full-year-2022-annual-report-and-4e.pdf?sfvrsn=a75f8df6_10
- 102 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6
- 103 Fortescue. (2022). FY22 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2427052-full-year-2022-annual-report-and-4e.pdf?sfvrsn=a75f8df6_10
- 104 Fortescue. (2023). FY23 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2597718.pdf?sfvrsn=edccad94_6
- 105 *Ibid.*
- 106 Fortescue. (2022). FY22 Annual Report. Retrieved from https://cdn.fortescue.com/docs/default-source/announcements-and-reports/2427052-full-year-2022-annual-report-and-4e.pdf?sfvrsn=a75f8df6_10
- 107 Mining Technology. (2021, November 11). Iron Bridge Magnetite Project, Australia. Retrieved from <https://www.mining-technology.com/projects/iron-bridge-magnetite-project/?cf-view>
- 108 Iron Bridge Magnetite Project, Pilbara, Western Australia. (2019, May 10). NS Energy. Retrieved from <https://www.nsenerybusiness.com/projects/iron-bridge-magnetite-project/>
- 109 Major Mines & Projects | Iron Bridge Mine. (n.d.). Retrieved from <https://miningdataonline.com/property/4568/Iron-Bridge-Mine.aspx#:~:text=The%20Iron%20Bridge%20incorporates%20the,mmost%20innovative%20iron%20ore%20project>
- 110 *Ibid.*
- 111 Chiat, J. (2023, November 27). Iron Bridge will now cost US\$3.5b but FMG wants to make it happen. Stockhead. Retrieved from <https://stockhead.com.au/resources/iron-bridge-fmg-magnetite/>

- 112 Smyth, J. (2021, February 16). Australia's Fortescue Metals loses 3 senior executives. (n.d.). *Financial Times*. Retrieved from <https://www.ft.com/content/648d6807-0161-4706-a5b2-2e255e00e7cc>
- 113 *Ibid.*
- 114 *Ibid.*
- 115 Chiat, J. (2023b, November 27). Iron Bridge will now cost US\$3.5b but FMG wants to make it happen. Stockhead. Retrieved from <https://stockhead.com.au/resources/iron-bridge-fmg-magnetite/>
- 116 Reuters. (2021, February 16). Fortescue COO, executives step down amid Iron Bridge review. Reuters. Retrieved from <https://www.reuters.com/world/china/fortescue-coo-executives-step-down-amid-iron-bridge-review-2021-02-16/>
- 117 Fortescue nixes major iron project contracts amid cost blowouts – The Australian. (n.d.). S&P Global Market Intelligence. Retrieved from <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/fortescue-nixes-major-iron-project-contracts-amid-cost-blowouts-8211-the-australian-63045359>
- 118 Hastie, H. (2021, March 8). FMG confirms 380 jobs impacted as Iron Bridge cost blowout hits contractors. The Sydney Morning Herald. Retrieved from <https://www.smh.com.au/business/companies/fmg-confirms-380-jobs-impacted-as-iron-bridge-cost-blowout-hits-contractors-20210308-p578wd.html>
- 119 Citic Ltd confirms \$2.5bn hit from Australian iron ore venture. (n.d.). *Financial Times*. Retrieved from <https://www.ft.com/content/221a52d4-d1f8-11e4-a1a0-00144feab7de>
- 120 Ker, P. (2025, May 2). Fortescue's \$6.2b Iron Bridge project hit with delays – again. *Australian Financial Review*. Retrieved from <https://www.afr.com/companies/mining/fortescue-s-6-2b-iron-bridge-project-hit-with-delays-again-20250522-p5m1bu>
- 121 Smyth, J. (2021, February 16). Australia's Fortescue Metals loses 3 senior executives. (n.d.-b). *Financial Times*. Retrieved from <https://www.ft.com/content/648d6807-0161-4706-a5b2-2e255e00e7cc>
- 122 Ryan, M. (2020, September 3). After Rio Tinto row, Aboriginal Australians turn to next fight. *Nikkei Asia*. Retrieved from <https://asia.nikkei.com/Spotlight/Society/After-Rio-Tinto-row-Aboriginal-Australians-turn-to-next-fight>
- 123 Victorian Aboriginal Heritage Council. (2021, January 4). Land is our future: Caring for Country. *aboriginalheritagecouncil.vic.gov.au*. Retrieved from <https://www.aboriginalheritagecouncil.vic.gov.au/taking-care-culture-discussion-paper/land-our-future-caring-country>
- 124 Kennedy, C. M., Fariss, B., Oakleaf, J. R., Garnett, S. T., Fernández-Llamazares, Á., Fa, J. E., Baruch-Mordo, S., & Kiesecker, J. M. (2023). Indigenous Peoples' lands are threatened by industrial development; conversion risk assessment reveals need to support Indigenous stewardship. *One Earth*, 6(8), 1032–1049. Retrieved from <https://doi.org/10.1016/j.oneear.2023.07.006>
- 125 Donaldson, A. (2023, June 19). Mining causes 24.7% of environmental conflict involving indigenous people. *Mining Technology*. Retrieved from <https://www.mining-technology.com/news/mining-environmental-conflict-indigenous-people/#:~:text=mine%20risk%20management-,Mining%20causes%2024.7%25%20of%20environmental%20conflict%20involving%20indigenous%20people,in%20burdens%20on%20those%20involved.>
- 126 ABORIGINAL HERITAGE ACT 1972 - SECT 18. (n.d.). Retrieved from https://www5.austlii.edu.au/au/legis/wa/consol_act/aha1972164/s18.html
- 127 Department of Planning, Lands and Heritage. (2024, December 20) Aboriginal Heritage Approvals. *Western Australian Government*. Retrieved from <https://www.wa.gov.au/government/document-collections/aboriginal-heritage-approvals#:~:text=There%20are%20four%20types%20of,equipment%20to%20an%20Aboriginal%20site>
- 128 Allam, L., & Wahlquist, C. (2020, November 12). Fortescue accused of “bullying” Aboriginal groups to allow destruction of sacred sites. *The Guardian*. Retrieved from <https://www.theguardian.com/australia-news/2020/nov/13/fortescue-accused-of-bullying-aboriginal-groups-to-allow-destruction-of-sacred-sites>
- 129 *Ibid.*
- 130 *Ibid.*
- 131 *Ibid.*
- 132 *Ibid.*
- 133 *Ibid.*
- 134 *Ibid.*
- 135 Young, E. (2020, June 8). “Default setting stuck on destroy”: FMG's plan to blast 60,000-year-old site. *The Sydney Morning Herald*. Retrieved from <https://www.smh.com.au/national/default-setting-stuck-on-destroy-fmg-s-plan-to-blast-60-000-year-old-site-20200608-p550ld.html>

- 136 *Ibid.*
- 137 Ker, P. (2021, February 24). WA launches investigation into Fortescue heritage bungle. *Australian Financial Review*. Retrieved from <https://www.afr.com/companies/mining/wa-launches-investigation-into-fmg-heritage-bungle-20210225-p575ns>
- 138 *Ibid.*
- 139 Allam, L. (2020, October 13). Fortescue accused of withholding \$1.9m from Aboriginal people until they sign new mining leases. *The Guardian*. Retrieved from <https://www.theguardian.com/australia-news/2020/oct/13/fortescue-accused-of-withholding-19m-from-aboriginal-people-until-they-sign-new-mining-leases>
- 140 *Ibid.*
- 141 *Ibid.*
- 142 Michelmores, K. (2020, October 13). Andrew Forrest's FMG keeping \$1.9m in royalties from Indigenous owners, Juukan Gorge inquiry told. *ABC News*. Retrieved from <https://www.abc.net.au/news/2020-10-13/juukan-gorge-inquiry-told-andrew-forrests-fmg-refusing-royalties/12762714>
- 143 *Ibid.*
- 144 *Ibid.*
- 145 *Ibid.*
- 146 *Ibid.*
- 147 *Ibid.*
- 148 Ker, P. (2021, February 24). WA launches investigation into Fortescue heritage bungle. *Australian Financial Review*. Retrieved from <https://www.afr.com/companies/mining/wa-launches-investigation-into-fmg-heritage-bungle-20210225-p575ns>
- 149 *Ibid.*
- 150 Reuters. (2021b, February 24). Fortescue apologises for clearing land on Aboriginal sacred site. Reuters. Retrieved from <https://www.reuters.com/world/asia-pacific/fortescue-apologises-clearing-land-aboriginal-sacred-site-2021-02-24/>
- 151 Juanola, M. P. (2021, February 25). McGowan says mining giants must lift their game after FMG's mea culpa over land clearing on Aboriginal site. *WAtoday*. Retrieved from <https://www.watoday.com.au/national/western-australia/fortescue-apologises-for-clearing-land-on-pilbara-aboriginal-sacred-site-20210225-p575ru.html>
- 152 Milne, P. (2022, January 26). Fortescue escapes fine for WA Aboriginal heritage breach. *Brisbane Times*. Retrieved from <https://www.watoday.com.au/national/western-australia/fortescue-escapes-fine-for-wa-aboriginal-heritage-breach-20220126-p59rci.html>
- 153 *Ibid.*
- 154 *Ibid.*
- 155 *Ibid.*
- 156 *Ibid.*
- 157 *Ibid.*
- 158 *Ibid.*
- 159 *Ibid.*
- 160 *Ibid.*
- 161 Milne, P. (2022, January 26). Fortescue escapes fine for WA Aboriginal heritage breach. *WAtoday*. Retrieved from <https://www.watoday.com.au/national/western-australia/fortescue-escapes-fine-for-wa-aboriginal-heritage-breach-20220126-p59rci.html>
- 162 *Ibid.*
- 163 *Ibid.*
- 164 Fortescue. (2024). FY24 Annual Report. Retrieved from <https://cdn.fortescue.com/docs/default-source/uncategorised/fy24-annual-report.pdf>



ABOUT THE EDITOR

Professor Mak Yuen Teen

Professor Mak Yuen Teen is the founding director of the Centre for Investor Protection. He is Professor (Practice) of Accounting at the NUS Business School and a former Vice Dean of the School, where he founded the first corporate governance centre in Singapore at NUS. Professor Mak holds first class honours, master and PhD degrees in accounting and finance. He is a member of the Institute of Singapore Chartered Accountants (ISCA).

He was Asia-Pacific Director of Research at a NYSE-listed global consulting firm and Head of Research (Singapore) at a Big 4 accounting firm while on leave from the university.

Prof Mak has served on three of the four corporate governance committees set up by the Singapore authorities to develop and revise the code of corporate governance for listed companies, including the first committee in 2000 and the most recent committee under the Monetary Authority of Singapore (MAS) which released the 2018 Singapore Code. He is currently serving a third three-year term on the Corporate Governance Advisory Committee under MAS aimed at continually raising corporate governance standards for listed companies in Singapore.

He has also served as chairman and deputy chairman of two large not-for-profit organisations in Singapore and currently chairs the nominations committee of a large Singapore not-for-profit healthcare organisation. He also served as a member of the audit advisory committee of two UN funds based in NY over a period of 12 years.

Professor Mak was a former council member of the Singapore Institute of Directors. He is a co-founder and director of a new not-for-profit company set up to enhance investor protection and education in Singapore called Corporate Monitor Limited. He is also a co-founder and director of a new body aimed at raising governance standards for directors and organisations in Singapore and the region. He serves as a member of the Advisory Council of the Vietnam Independent Directors Association and as a member of the International Advisory Board of the Hawkamah Institute of Governance in Dubai.

Professor Mak is actively involved in conducting training on corporate governance for directors and regulators in the region, and speaks regularly in international conferences. He is the advisor of a new director programme introduced by ISCA and SAC Capital, which has been accepted the Singapore Exchange as an alternative for fulfilling the mandatory training requirements for first-time directors of companies listed in Singapore.

He has written many op-ed pieces on corporate governance for the media and professional organisations, and has been quoted in the media in Singapore and internationally, including The Business Times, BBC News, Bloomberg, Financial Times, Asian Wall Street Journal, Reuters, Nikkei Asia and others.

His academic work has been published in international journals such as *Journal of Accounting and Public Policy*, *Journal of Corporate Finance*, *Journal of Business Finance and Accounting*, and *Accounting Horizons*. He is a member of the editorial board of the *Journal of Accounting and Public Policy*.

Professor Mak edited 11 volumes of Asia-Pacific and global case studies published by CPA Australia between 2012 and 2022 and a special financial services edition, and several volumes translated into Chinese and Vietnamese have been produced. In all, he has written or edited nearly 300 case studies related to corporate governance.

Prof Mak developed the first corporate governance rating for Singapore companies and the first Singapore governance rating for REITs and business trusts. He was nominated by MAS as the Singapore expert in the development of the ASEAN CG Scorecard.

He has also produced numerous reports on corporate governance. In 2007, his report on improving the implementation of corporate governance practices in Singapore, commissioned by MAS and the Singapore Exchange, was launched by the Minister of Finance at the OECD Asian Corporate Governance Roundtable held in Singapore.

Prof Mak is one of only two individuals in Singapore to have been given the Corporate Governance Excellence Award by the Securities Investors Association (Singapore) for his contributions to improving corporate governance in Singapore. The Singapore Institute of Directors has also recognised him as a CG Pioneer. He also received the corporate governance excellence award from the Minority Shareholders Watchdog Group in Malaysia for his contributions to corporate governance in the region.

He is a strong corporate governance advocate and comments regularly on current corporate governance issues on LinkedIn and on his personal website, *Governance for Stakeholders*, which he started in 2013.