

More clarity sought from new LCD directors

HK institutional investor Pyrrho Management cites lack of relevant experience of incoming executive directors among key concerns

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ONE institutional investor of LCD Global Investments is calling for greater clarity from the firm's new incoming executive directors on their plans for the group.

In an open letter issued on Friday, Pyrrho Management, a family office fund of a private Hong Kong company, flagged a lack of relevant experience of the new directors in property or hospitality among key concerns.

The fund also questioned if a change in LCD's business or any divestment of assets is in the planning, given a proposed name change for the group.

The letter came on the heels of a stake acquisition in LCD by JTrust Asia – a wholly owned unit of Tokyo-listed finance holding company JTrust Co Ltd – from the Lum family.

JTrust Asia was set up only last October to explore businesses in South-east Asia for its parent company. The Lum family agreed on Sept 19 to sell a combined 29.5 per cent stake in LCD to JTrust Asia at 30 Singapore cents per share or S\$93.1 million in total.

Besides a change in controlling shareholding, this move is ushering in a change in management and marks a dramatic turn of events that earlier saw the Lum family trying to take over LCD in a 17 cent a share bid in April.

LCD executive chairman David Lum Kok Seng has stepped down as a senior executive director while his son Kelvin Lum, who is LCD's managing director, will resign within six months.

JTrust Co's president and CEO Nobuyoshi Fujisawa and general manager Shigeyoshi Asano have been appointed as

the new executive directors of LCD Global.

In its mainstay hospitality business, LCD owns resorts and hotels and serviced residences. Its portfolio includes Holiday Inn Resort Phuket in Thailand and Crowne Plaza London Kensington

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Pyrrho Management director Paul Cummins

in the UK. It is also developing an integrated project in Xuzhou in China.

LCD's other investments include a deemed 44 per cent interest in Knight Frank Singapore through an 80 per cent direct stake in Cheong Hock Chye &

Co, as well as leisure and entertainment centres under Zone X.

In the letter, Pyrrho Management director Paul Cummins questioned if the proposed name change for LCD to JTrust International Ltd is a harbinger of a change in its business to financial services.

"If so, what will they do with the assets currently owned by LCD Global?" Mr Cummins asked. "We call on the board of

LCD Global to make clear their future strategy and intentions for the company so that shareholders can understand their intentions and will be in a better position to make an informed decision with regards to their investment in LCD

Global."

With the stake divestment in LCD to JTrust, the Lum brothers, Raymond and David, have their stakes pared down to only 2.25 per cent.

Meanwhile, JTrust is also on a

buying spree elsewhere. A spate of acquisitions this year saw JTrust acquiring Standard Chartered Capital (Korea) Co Ltd for 15.1 billion yen (\$176 million), KJI Consumer Finance LLC for 11.65 billion yen and South Korean financier HiCapital Co for 4.54 billion yen.

It has also emerged as the successful bidder for Indonesian commercial bank PT Bank Mutiara Tbk.

When announcing its stake acquisition in LCD last week, JTrust said: "By sending directors to LCD, JTrust has also established strategic operational alliance with LCD regarding its business expansion and will attempt to conduct diversified real estate business in South-east Asia and other countries based in Singapore."

JTrust said that it aims to expand LCD's real estate and amusement business and to promote property fund management business at LCD by "utilising information network in South-east Asia that JTrust Asia cultivated and Knight Frank's real estate related network".