

Issuer: Lasseters International Holdings Limited

Security: Lasseters International Holdings Limited

Meeting details:

Date: 27 October 2017

Time: 10.00 a.m.

Venue: Maharajah Suite, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616

Company Description

Lasseters International Holdings Limited, an investment holding company, engages in land-based gaming business in Australia, New Zealand, and Malaysia. The company operates through three segments: Casino, Spa and Wellness, and Property Development. The Casino segment operates gaming facilities, a convention center, food and beverage outlets, bars, commercial gym, and spa, as well as provides accommodation services. The Spa and Wellness segment offers spa and wellness programs, gym, and retail outlets. The Property Development segment is involved in the property investment and management, property, and hospitality development activities. The company also manages and operates a health club; and provides golf course and club management services.

Lasseters International Holdings Limited was founded in 2004 and is based in Kuala Lumpur, Malaysia.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5EL)

Q1. As mentioned in the Notes to Shareholders (page 14 of the annual report), the performance of the group's core business of land-based hotel and casino operations in Alice Springs, Northern Territory ("NT") remained stable.

In the Review of Operations (page 17), the group reported that the land-based hotel and casino operation continues to remain profitable, contributing a pre-tax profit of AUD1.1 million in FY2017 on the back of AUD44.5 million in revenue. Revenue from the non-gaming segment contributed AUD22.5 million while gaming revenue was AUD22.2 million.

- a) **With the rebranding of the hotel to Crowne Plaza Alice Springs Lasseters, what is the expected improvement in occupancy rate, average daily room rate and the food and beverage revenue?**
- b) The hotel is undergoing refurbishment at a cost of AUD6.0 million. **What are the projected returns on investment (ROI) of this asset enhancement?**
- c) **Is the gaming segment profitable? How does management intend to increase the gaming revenue?**
- d) **Are there plans to expand the casino operations in Alice Springs and other land in the Northern Territories where the group has been granted the exclusivity?**

Q2. The group's Spa and Wellness business, operating under the brand The Golden Door Australia, continued to be weak and reported a pre-tax loss of AUD1.6 million out of a revenue of AUD8.2 million.

On page 12, the group has described it as "Australia's leading health retreat and spa operator".

- a) **Can shareholders understand the basis of calling the group's spa and wellness business as "Australia's leading health retreat and spa operator"?**
- b) **With operations in Hunter Valley and Brisbane, is there sufficient scale in the business for the group to operate profitably?**
- c) The spa and wellness business is a very experiential and personal business. The group expects that the new e-commerce platform and the new comprehensive online service platform to improve the earnings of the segment. **Can management elaborate further on the new platforms and how they are envisaged to improve the earnings of the segment?**
- d) **For a group with interests in the spa and wellness space, is having an all-male board at the parent company the best arrangement, in terms of appropriate mix of skills-set, experience and expertise?**

Q3. Tan Sri Ir. Kuan was appointed as a Non-Executive Director of the Company on 27 February 2004 and was re-designated as Independent Director on 26 August 2010. Mr Teo Chee Seng was appointed as a Director of the Company on 26 February 2004.

Mr Teo Chee Seng and Tan Sri Ir Kuan Peng Ching @ Kuan Peng Soon, have each served on the Board for more than nine years.

The Nominating Committee (NC) comprises Tan Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (as Chairman), Teo Chee Seng, Dato' Kamal Y P Tan and Dato' Jaya J B Tan.

As disclosed in the Corporate Governance Report (page 23), the NC has conducted a rigorous review of the independence of the long tenured directors and the NC and the Board "are satisfied with their continued independence in character and judgement in discharging their responsibilities as Directors of the Company".

Notwithstanding that, Guideline 2.4 of the Code of Corporate Governance 2012 (CG Code) issued by the Monetary Authority of Singapore requires the board to “also take into account the need for progressive refreshing of the Board”.

- a) **What are the company’s plans for the progressive refreshing of the board, as required by Guideline 2.4 of the Code?**
- b) **What is the search and nomination process for new board directors, especially independent directors?**
- c) **In addition, would the board reconsider complying with Guideline 2.2 of the CG Code which requires independent Directors to make up at least half of the boards as the Chairman of the company is not an independent director?**