



**Securities Investors Association (Singapore)**

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**Issuer:** Sanli Environmental Limited

**Security:** Sanli Environmental Limited

**Meeting details:**

Date: 27 July 2018

Time: 9.00 a.m.

Venue: 28 Kian Teck Drive, Singapore 628845

**Company Description**

Sanli Environmental Limited operates as an environmental engineering company in the field of water and waste management primarily in Singapore. The company operates through two segments, Engineering, Procurement and Construction; and Operations and Maintenance. The Engineering, Procurement and Construction segment provides various services in the field of water and waste management, including process upgrading of existing water treatment plants, upgrading of pumping station capacities, replacement of aged mechanical and electrical equipment, and designing and building various treatment process systems. This segment also offers engineering solutions and services for the treatment of raw water and used water, and refuse in incineration plants. The Operations and Maintenance segment provides operations and maintenance services for the equipment used in water and waste management infrastructure; and corrective and preventive maintenance services for customers' operations. The company was incorporated in 2017 and is headquartered in Singapore. Sanli Environmental Limited is a subsidiary of Typha Holdings Pte. Ltd.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=1E3](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=1E3))

1. As noted in the Offer document dated 31 May 2017, the group intends to expand into the industrial and public sectors in neighbouring ASEAN countries such as Malaysia, Myanmar, Vietnam and Indonesia. It had set aside \$1.06 million of the net proceeds to build up a “business development” department.

As reported in the annual report (page 40), the group has utilised \$0.30 million of the proceeds for the purpose.

- (i) What is the progress made by the group in building up its “business development” department?**
- (ii) Has management identified specific projects in the region that it will be bidding for?**
- (iii) Although the group has an established track record in Singapore, it would be a new entrant in the overseas market. What is management’s strategy to gain a foothold in these new markets?**

2. In FY2018, the group made several announcements of new contracts as they were secured. The order book stood at \$110.2 million as at 31 March 2018.

- (i) What is the revenue contribution from the largest customer in FY2018?**
- (ii) Can management disclose the number and size of projects secured from the private sector?**
- (iii) What is the typical profile of the new customers from the private sector?**
- (iv) What is management’s strategy to win more projects from the private sector?**

3. As disclosed in the Offer document, Typha Holdings, as the investment holding company, transferred an aggregate of 2,656,578 Employee Shares to 83 employees to recognise and reward employees for their past contributions and services and to align their interests with the group and to encourage greater dedication and loyalty to the group.

A share based payment expense of an aggregate of approximately S\$0.6 million will be charged to the profit or loss pursuant to the transfer of the Employee Shares over a period of 24 months commencing from the date of listing.

- (i) Has management evaluated if the employee share scheme has been effective in improving talent retention and better employee engagement?**
- (ii) How much of the \$0.6 million share based payment expense is yet to be recognised?**
- (iii) Are there plans for the company to implement a long-term incentive scheme?**