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**Issuer:** Banyan Tree Holdings Limited

**Stock code:** B58

**Meeting details:**

Date: 28 April 2021

Time: 2.30 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

**Q1.** Would the board/management provide shareholders with greater clarity on how the group's strategic growth plans have changed as a result of the pandemic? Specifically:

- (i) **Geographical diversification:** The group has a large presence in the stronghold markets of Thailand and Indonesia. New hotels that were planned prior to COVID-19 and opening soon in 2021 would include Angsana Corfu in Greece, Banyan Tree Doha At La Cigale Mushaireb in Qata and Banyan Tree Ilha Caldeira in Mozambique. **Going forward, what change has management made to the investment criteria for new hotels (such as hotels/resorts, size, location, position)?**
- (ii) **Management contracts:** Similarly, would the group's focus be on signing new hotel management contracts with hotel owners without the need for the group to hold equity interest in the assets?
- (iii) **Asset disposal:** Has management identified assets that are suitable for disposal?
- (iv) **Equity interest:** Outside of its stronghold markets of Thailand and Indonesia, are there circumstances where the group would want to/prefer to participate in a new development with equity interest?

**Q2.** World Tourism Organization (UNWTO) predicts that international tourism could take two-and-a-half to four years to rebound to pre-pandemic levels and that global recovery is also likely to be uneven, with the speed of recovery varying from region to region and entry requirements differing from country to country.

As seen in the consolidated cash flow statement (page 115), the group's net cash flow used in operating activities was relatively low at \$(19.15) million even as the group reported a loss of \$(102.5) million in 2020. Cash and cash equivalents at the end of the year amounted to \$51.3 million (page 116 – Consolidated cash flow statement), down from \$130.8 million a year ago.

- (i) **Does the group have the working capital to tide it through the pandemic in the worst case?** Currently, management has anticipated that a rebound in the industry would start from the second half of 2021.

To improve organisational agility, the group has said that it will focus on short-haul regional and domestic travel in the near to medium term.

- (ii) **Would this result in a mis-match between the group's inventory and demand?**

- (iii) **How is management finetuning occupancy and room rates to ensure that the group generates sufficient operating cashflow without negatively affecting its premium positioning in the long term?**

**Q3.** The board made good progress with board renewal to meet the principles and provisions of the Code of Corporate Governance 2018. The chairman, in his statement, noted with gratitude the cessation and pending retirement of directors, namely Mr Zhang Xu who stepped down from the board in November 2020, and Mrs Fang Ai Lian, Mr Chan Heng Wing and Mr Tham Kui Seng.

The board had appointed Mr Beh Jit Han Paul, Mr Tan Chian Khong and Mr Arnoud De Meyer as independent directors and Mr Ding Changfeng and Mr Ho Ren Hua as non-executive non-independent directors. Additional information on directors seeking re-election can be found on pages 91 to 95 of the annual report.

The board conducted a process in 2020 to identify and appoint two additional independent directors to allow the board to have a majority of independent directors. The board/nominating and remuneration committee ("NRC") stated that potential candidates are sought through networking contacts and recommendations.

- (i) **Can the NRC help shareholders understand if the non-executive directors have the appropriate balance and mix of skills, knowledge, experience, especially in hospitality, real estate and services, to engage in effective and constructive debate with the executive directors?**
- (ii) **How does the use of networking contacts and recommendations in the search for new director candidates support the group's diversity policy?**  
For instance, it is observed that there are strong links among the directors outside of the board. The founder and executive chairman, Mr Ho KwonPing, chairs the Board of Trustees of Singapore Management University, which Mr Beh Jit Han Paul, the newly appointed independent director, is a member. Mr Chia Chee Ming Timothy was on the same board until January 2019 while Mr Arnoud De Meyer was the President of Singapore Management University from 2010 to 2018.
- (iii) **How effective are the board members at avoiding groupthink?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

Can’t attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation  
(<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)