



Securities Investors Association (Singapore)

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Issuer: SUTL Enterprise Limited

Stock code: BHU

Meeting details:

Date: 27 April 2022

Time: 3.00 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. On 24 February 2022, the company announced its intention to terminate the membership programme for ONE°15 Marina Puteri Harbour, Malaysia and to redeploy resources elsewhere

This was attributed to the protracted pandemic which led to strict international border/travel controls, significant delays in construction, rising construction costs, weak economic sentiments and sluggish demand for long term memberships.

The group is in the process of terminating the ONE°15 Marina Puteri Harbour's membership programme and members will be offered compensation.

- (i) **Does the group have the (unilateral) right to terminate the membership program? If not, what will happen if the group is unable to terminate the membership program?**
- (ii) **How many members will be affected?**
- (iii) **Will this affect the group's reputation as the leading developer, operator and consultant of integrated marinas?**
- (iv) **What is the current status of ONE°15 Marina Puteri Harbour?**
- (v) **What are the specific financial and non-financial factors that led to the group's decision? How much of it is due to COVID-19? Was management overly optimistic of the prospects during the planning/approval stage?**
- (vi) **Does this mean that the group's new projects are all under the same stress since no country has been spared from the devastating impact of the COVID-19 pandemic?**

The company has stated that the termination is not expected to have any material financial effect on the net tangible assets and earnings per share of the company for the financial year ended 31 December 2022.

- (vii) **Is there any material financial impact on the group for the financial year ended 31 December 2023 given that it will take months (or longer) to go through the termination process?**
- (viii) **Can management provide shareholders with an update on the projected opening dates of Indonesia Navy Club managed by ONE°15, ONE°15 Marina Taihu Lake, China, and ONE°15 Marina Logan Cove, Zhongshan, China?**

Q2. As shown in the financial highlights (page 10), revenue increased from \$27.0 million in FY2020 to \$31.9 million in FY2021.

Total Revenue (\$'000)



(Source: company annual report)

The \$31.8 million is comparable to the revenue achieved by the group in FY2019 pre-pandemic.

- (i) **Can management help shareholders better understand the operational challenges on the ground? What were the restrictions in terms of capacity, services offered and opening hours etc?**

Membership related fees and management fees amounted to \$11.5 million in FY2021. This was due to more transfer fees received for transferring of membership. Each transfer fee amounts to \$9,630.

- (ii) **What is the level of membership transfer/churn? Did the pandemic cause any increase in the level of transfers? Does management seek out feedback from selling members to understand the reasons for their sale?**
- (iii) In addition, revenue has plateaued at the \$32-33 million for the past 5 years, without considering FY2020. **Can management help shareholders understand the growth prospects of the group?**
- (iv) **Can the company confirm that the land lease for ONE°15 Marina Sentosa Cove ends in 2034? What are the options available to the group as the lease runs out?**

Q3. Mr Lew Syn Pau resigned as the non-executive chairman and independent director on 31 December 2021 after 21 years on the board. Mr Richard Eu Yee Ming was appointed the new board chairman with effect from 31 December 2021.

The profiles of the directors can be found on pages 16 to 18 of the annual report (extract reproduced below).

BOARD OF DIRECTORS



Richard Eu Yee Ming

Non-executive Chairman and Independent Director

Mr Richard Eu was appointed as Non-Executive Chairman and Independent Director of the company since 31 December 2021.

Mr Eu is the Chairman of Eu Yan Sang International Ltd (EYSL). He leads the board in providing governance oversight, deliberating Group strategy, and providing counsel to the Group CEO. Richard joined the business in 1989 and served as the Group CEO from 2002 until 2017. He has been instrumental in transforming EYSL into one of the largest Traditional Chinese Medicine (TCM) groups in Asia today.

Mr Eu was named the Ernst & Young Entrepreneur of the Year 2011 (Singapore) and represented Singapore at the Ernst & Young World Entrepreneur of the Year 2012 Award in Monte Carlo, Monaco.

Mr Eu is also currently the Chairman of Tuan Sing Holdings Limited. He also sits on the board of other private companies including Nippon Life India Asset Management Singapore Pte Ltd and Dragonfly Education Group. He is also active in the non-profit sector, serving as the Pro-Chancellor of the Singapore University of Social Sciences and as well as on the boards of the Thye Hua Kuan Moral Charities group, one of the largest charitable bodies in Singapore.

Mr Eu holds a LL.B (Hons) degree from the University of London.



Arthur Tay

Executive Director and Chief Executive Officer

Mr Arthur Tay is an Executive Director and CEO of the Company and is responsible for the overall management of the Group. He was first appointed as Non-Executive Director in January 2010 and was last re-elected in April 2021. He was made the CEO of the Company on 1 May 2010.

Mr Tay is also the Executive Chairman and CEO of the SUTL Group of Companies, a family-owned, professionally-managed lifestyle consumer goods and services enterprise, which has businesses globally. He is also an active philanthropist and grassroots leader.

He holds an MBA in Real Estate and Finance.



Peter Tay Teng Hock

Non-Executive Director

Mr Peter Tay was appointed as Non-Executive Director of the Company in January 2010 and was last re-elected in April 2019.

Mr Tay is also a shareholder and Executive Director of SUTL Group of Companies. He has been with SUTL Group of Companies for more than 20 years and is responsible for building projects, building management, logistics and warehousing management.

Mr Tay was the Project Director for the development of ONE*15 Marina Sentosa Cove. He graduated from Heriot Watt University, Edinburgh, UK with a Bachelor of Engineering.

Chan Kum Tao

Non-Executive Director

Mr Chan Kum Tao was appointed a Non-Executive Director in January 2010 and was last re-elected in June 2020.

Mr Chan is also the Chief Financial Officer of SUTL Group of Companies. Prior to that, he held senior financial positions in Singapore companies as well as in multinational corporations in Singapore and overseas.

He is a Fellow of the Association of Chartered Certified Accountants (ACCA), and a Fellow of the Institute of Singapore Chartered Accountants.



Yeo Wei Kiong

Independent Director

Mr Yeo Wei Kiong was appointed an Independent Director on 7 August 2019 and was last re-elected in June 2020. Mr Yeo is a board member of several listed companies namely M Global Ltd, Asian Healthcare Specialists Ltd, Bonaville Holdings Ltd, Pacific Century Regional Development Ltd and Rong Pacific Holdings Ltd.

He is also a director of Heliconia Management Pte Ltd, a wholly-owned fund management subsidiary of Temasek Holdings (Private) Ltd. Mr Yeo is an ex-director of a leading Singapore Law Firm and is currently a retiree. Prior to this, he was the founder and managing partner of a law firm.

Before his career progression into law, Mr Yeo was a former investment banker with a Singapore-based UK merchant bank and an in-house industry officer with a government statutory board.

Mr Yeo holds a Bachelor degree in Engineering (Mechanical) (First Class Honours) and a Master in Business Administration from the then University of Singapore and the National University of Singapore respectively. He also graduated with an Honour's degree in law from the University College of London and is also a Barrister-at-Law of Lincoln's Inn for England and Wales.

SUTL Enterprise Limited Annual Report 2021

(Adapted from company annual report)

In the corporate governance report, the nominating committee stated that the search and nomination process for new directors will be “via contacts and recommendations” (page 33).

- (i) **Can the board/nominating committee (NC) help shareholders understand how the current practice of “search” via contacts and recommendations achieves board diversity?**

Details of the board diversity policy can be found on pages 29 and 30 of the annual report. In addition to the board diversity policy, the company has also disclosed that it seeks to have female representation on the management team to be not less than 20% within the next 3 years, and by 2025.

- (ii) **What is the level of female representation in the management team now? Is the current level of female representation in the management team in line with industry standards?**

^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. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

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](http://www.sias.org.sg)

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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>)