

**ANNUAL  
REPORT  
2020**





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# CORPORATE PROFILE

Headquartered in Singapore, SUTL Enterprise Limited (“SUTL Enterprise” or together with its subsidiaries, the “Group”) is a leading developer, operator and consultant of integrated marinas.

It is currently the only marina business listed on the SGX. The Group develops infrastructure for integrated marinas and also provides consultancy services for such projects. It operates its own marinas under its proprietary ONE°15 brand, as well as those of third parties under management contracts. In addition, the Group has a complementary yacht chartering business with a fleet of more than 40 luxury yachts, under its fully-owned subsidiary, ONE15 Luxury Yachting.

SUTL Enterprise and UEM Sunrise Berhad had incorporated a joint venture company, ONE15 Marina Development Berhad, to develop ONE°15 Marina Puteri Harbour which comprises a lifestyle clubhouse, public, private and superyacht marinas and a purposebuilt ONE°15 Estuari Sports Centre in Iskandar Puteri in Johor, Malaysia which opened in October 2020. Its pipeline of soon-to be completed marinas, which will bear its ONE°15 brand includes the Indonesia Navy Club managed by ONE°15 in Jakarta, Indonesia; Taihu International Marina managed by ONE°15 Marina in Suzhou, China; ONE°15 Marina Nirup Island, Indonesia; ONE°15 Marina Logan Cove Zhongshan, China.

SUTL Enterprise’s vision is to be Asia’s leading premier integrated marina developer.

SUTL Global Pte Ltd, which is a privately held lifestyle consumer goods and services enterprise, holds a 55.39% stake in SUTL Enterprise.





# MESSAGE TO SHAREHOLDERS



**Lew Syn Pau**  
Non-Executive Chairman

## Dear Shareholders

2020 was marked by the devastating impact of the COVID-19 pandemic, as economies and companies around the world grappled with the financial fallout. The hospitality and leisure industry was one of the hardest hit sectors of the pandemic as tourism and leisure activities came to a near-halt.

Despite the impact of these challenges on our revenue, we were able to maintain our profitability for the financial year ended 31 December 2020 (“FY2020”) because of belt-tightening measures and support grants from government schemes, which helped to offset some of our operational overheads.

With vaccination programmes gaining traction worldwide and COVID-19 restrictions slowly being lifted, we are optimistic about the gradual resumption of economic and lifestyle activities including tourism. In fact, we believe that the pent-up demand for travel will enable tourism-related businesses to recover quickly once some semblance of normalcy returns and herd immunity starts to take root.

We are mindful that the situation remains fluid and it will be a while before this happens. But this also creates an opportunity for us to look out for potential deals that will enable us to expand our network of marinas globally, and to secure consultancy projects from marina owners looking to take advantage of the slow down to upgrade their assets.

We took the opportunity to upgrade the marina facilities at our flagship ONE° 15 Marina Sentosa Cove in FY2020. With the enhanced facilities, ONE° 15 Marina Sentosa Cove continues to set exacting standards for the ONE° 15 Marina brand around the globe.

In November 2020, we secured a project consultancy contract in Bali to provide comprehensive marina feasibility study and advisory services to an Indonesian state-owned enterprise. This presents the Group with a window of immense opportunity as we consider Indonesia and thousands of islands as a key market for marina development and Bali is a key tourism hub for the country.

Elsewhere in Indonesia, the construction of the ONE° 15 Marina Nirup Island Indonesia was delayed because of the pandemic. The marina and its adjoining hotel, seafood centre and sea sports centre are slated to open in 2022.

Over in Malaysia, the construction of the ONE° 15 Marina Puteri Harbour in the Iskandar Puteri residential zone in Johor Bahru was likewise delayed because of border controls that prevented us from hastening the tender process. But in October 2020, we officially opened the nearby ONE° 15 Estuari Sports Centre, offering sporting and lifestyle activities within a sprawling 13,000m<sup>2</sup> complex.

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## MESSAGE TO SHAREHOLDERS

**Arthur Tay**

Executive Director and Chief Executive Officer

In China, the ONE°15 Marina Logan Cove Zhongshan is in operation and is expected to benefit from its strategic location on the Pearl River Delta close to the cities of Zhuhai and Macau.

With such exciting developments on the horizon, we look forward to creating and delivering even more value to our members and stakeholders alike in the coming years ahead.

**Financial Review**

The group achieved net attributable profit of S\$3.2 million for FY2020, up from S\$2.5 million a year ago. This came on the back of S\$29.4 million in total income, which declined 9% year-on-year due to the negative impact of Covid-19 on our restaurant, banquet and chartering sales.

This was partially offset by higher revenue contribution from our membership related fees and management fees, as well as a 228% increase in other income to S\$1.8 million by way of insurance claim payouts and government grants such as the Job Support Scheme, foreign worker levy rebates and property tax cash grants.

Cushioned by lower operating expenses due to significantly reduced events held and lower promotional and marketing activities, and partially offset by provision for doubtful debts and fixed assets of ONE°15 Marina Sentosa Cove being written off, the group's total net attributable profit for FY2020 rose 28% from the previous year.

As at 31 December 2020, the Group remained on strong financial footing with cash and cash equivalents amounting to S\$50.4 million, up from S\$48.1 million a year ago.

A final dividend of 2.0 Singapore cents per ordinary share has been proposed for FY2020, unchanged from the year-ago period. This is the fifth consecutive year that SUTL Enterprise will be issuing a cash dividend – and speaks volumes of the Board and management's confidence in navigating the Group through these uncertain times.

**Appreciation**

We would like to express our appreciation to all stakeholders and business partners for their unwavering support and trust in the Group, especially amid the unprecedented global changes which continue to impact economies and operating environments across the world. We are also grateful to the management and staff of SUTL Enterprise for weathering through the past year's challenges to deliver a satisfactory set of FY2020 results. Last but certainly not least, we would like to extend our gratitude to our fellow Directors on the Board for their guidance and commitment to playing a fundamental role in bringing us to where we are today.

**Lew Syn Pau**

Non-Executive Chairman

**Arthur Tay**

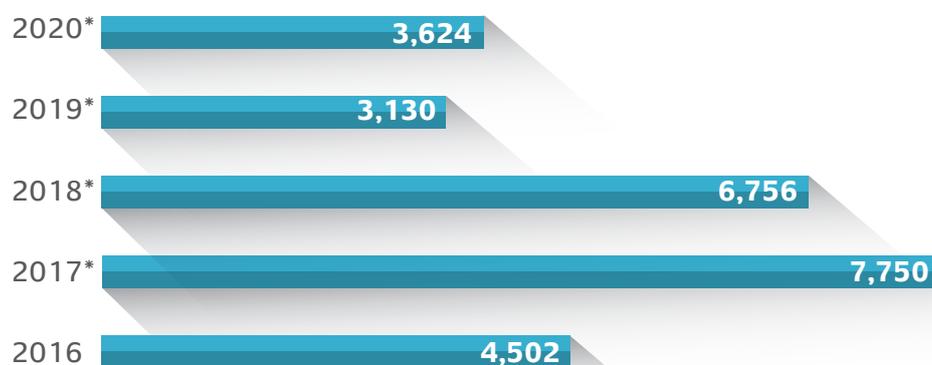
Executive Director and Chief Executive Officer

# FINANCIAL HIGHLIGHTS

## Total Income (\$'000)



## Profit before Tax (\$'000)



## EBITDA (\$'000)



\*Figures have taken into consideration the adoption of SFRS (I) 15 (Revenue from contracts with customers) & use of fair value on the date of transition as deemed cost under SFRS (I)1 First time adoption of Singapore Financial Reporting Standards (International).



ONE 15

KARINA SIA SINGAPORE



Informational sign or notice posted on the wall.

# FINANCIAL REVIEW

**The on-going Covid-19 pandemic had impacted the Group's business specifically revenue from hotel rooms, food & beverage and banquet sales in FY2020. The Group had put various cost containment measures in place and tightened our belts over the period to reduce our overall expenses. Together with various government support grants, these measures helped to cushion the impact of the reduction in sales. As a result, the Group's profitability was not negatively affected in FY2020.**

## Income Statement

In FY2020, SUTL Enterprise's overall income declined by 9% to S\$29.4 million compared to S\$32.4 million in FY2019. This was mainly due to a 23% fall in the sales of goods and services over the period and partially offset by a 5% increase in membership related fees and management fees, as well as a 228% increase in other income in the form of government grants and insurance claims payouts.

The decline in revenue from goods and services from S\$20.9 million in FY2019 to S\$16.1 million in FY2020 was because of Covid-19 related safe management measures and restrictions, including the Circuit Breaker from 7 April 2020 to 1 June 2020, which brought banquet sales, catering and in-house dining to a standstill. Although things improved in the second half of FY2020 when these restrictions were gradually lifted, it did not recover to pre-Covid-19 levels.

The slight increase in membership-related and management fees was from S\$10.9 million in FY2019 to S\$11.4 million in FY2020. This was mainly due to higher management fees earned and more transfer fees in FY2020, while the increase in other income from S\$0.6 million in FY2019 to S\$1.8 million in FY2020 came from payouts from insurance claims and government grants including the job support scheme, rebates in foreign worker levy and property tax cash grants.

The Group's total expenses in FY2020 declined 12%

to S\$25.8 million as compared to S\$29.2 million in FY2019 in tandem with the slowdown in activities. Salaries and other employee benefits fell because of a reduction in the number of staff and casual labour, while advertising, publication and event expenses fell mainly because of the dearth of events and other lifestyle activities in FY2020. Likewise, there were lower cost of sales and repairs, maintenance and cleaning expenses due to the slowdown in activities and sales of goods and services. The decline in overall expenses was partially offset by an increase in allowance for doubtful debts from S\$0.6 million in FY2019 to S\$0.7 million in FY2020 due to impairment of trade and other receivables and other expenses due to the writing off of ONE<sup>o</sup>15 Marina Sentosa Cove's fixed assets.

## Financial Position

In line with the slower pace of business activities in FY2020, the Group's financial position remained stable with total assets and total liabilities largely at the same levels as the preceding period.

As at 31 December 2020, the Group's net assets attributable to the Company's shareholders were S\$59.4 million, including healthy cash and cash equivalents of S\$50.37 million. This compares favourably to net assets attributable to the Company's shareholders of S\$58.29 million, including cash and cash equivalents of S\$48.13 million, as at 31 December 2019.

There was a slight 1% uptick in total assets from S\$130.5 million as at 31 December 2019 to S\$131.3 million as at 31 December 2020. Total liabilities remained at the same level at S\$72.8 million as at 31 December 2020 as compared to S\$72.3 million as at 31 December 2019.

The Group had bank borrowings of S\$1.5 million as at the end of FY2020 compared to zero borrowings previously. This is mainly to finance the project to reconfigure the pontoons at ONE<sup>o</sup>15 Marina Sentosa Cove. Net gearing ratio is low at 0.03. Reflecting the higher bottom line, earnings per share ("EPS") rose from 2.87 Singapore cents for the financial year

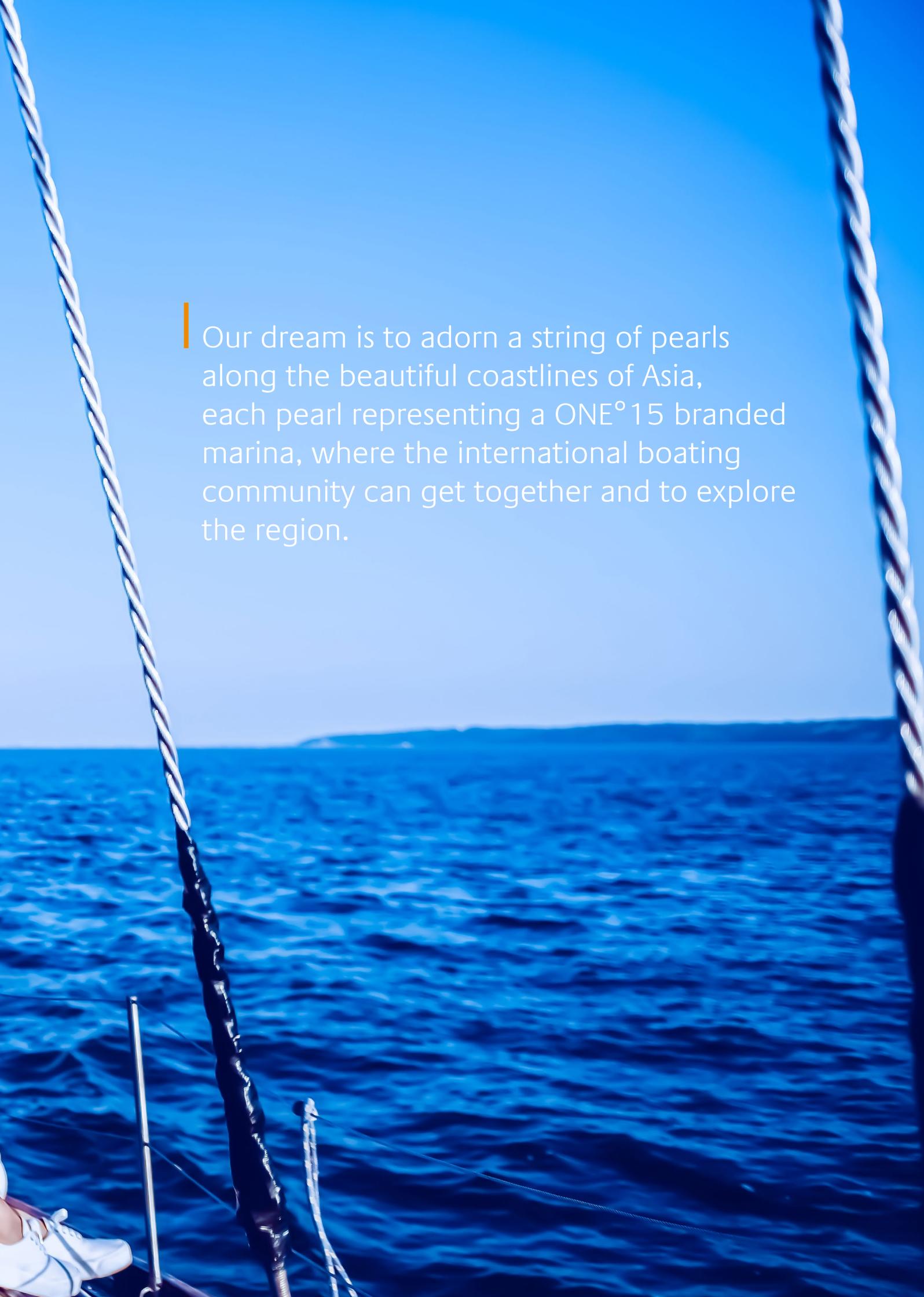
ended 31 December 2019 to 3.69 Singapore cents for the financial year ended 31 December 2020. Net asset value per share (“NAVPS”) increased from 67.41 Singapore cents as at 31 December 2019 to 69.46 Singapore cents as at 31 December 2020. The calculation for EPS was based on a weighted average number of approximately 86.5 million and 86.4 million shares in issue for FY2019 and FY2020 respectively. While the calculation for NAVPS was based on approximately 86.5 million and 85.6 million shares in issues as at 31 December 2019 and 2020 respectively.

### Cash Flow

The Group’s cash generated from operations has increased to S\$9.3 million in FY2020 from S\$7.1 million in FY2019 mainly due to the increase in operations profit offset against decrease in changes in working capital. In FY2020, the Group used S\$6.6 million for investing activities mainly for purchase of property, plant and equipment.







Our dream is to adorn a string of pearls along the beautiful coastlines of Asia, each pearl representing a ONE°15 branded marina, where the international boating community can get together and to explore the region.

# BOARD OF DIRECTORS



**Lew Syn Pau**  
**Non-Executive Chairman**

Mr Lew was appointed as Non-Executive Chairman in February 2009 and was last re-elected in April 2018. He has been an Independent Director of the Company since April 2000.

He also sits on the board of several other listed companies including Broadway Industrial Group Ltd., Golden-Agri Resources Ltd., Sinarmas Land Ltd and Golden Energy and Resources Ltd.

Mr Lew was previously the General Manager of NTUC Pasir Ris Resort, Managing Director of NTUC Comfort, Executive Director of NTUC Fairprice and Assistant Secretary General of the NTUC before becoming the General Manager and Senior Country Officer of Banque Indosuez (subsequently renamed Credit Agricole Indosuez). He also held positions as director in the bank's wholly owned subsidiaries involved with private equity, asset management and stock broking.

A Singapore Government scholar, Mr Lew began his career with the Singapore Civil Service. He holds a Master of Engineering from Cambridge University, UK, and a Master of Business Administration from Stanford University, USA. He was Member of Parliament from 1988 to 2001.



**Arthur Tay**  
**Executive Director and Chief Executive Officer**

Mr 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 2019. 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.

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## BOARD OF DIRECTORS



### Peter Tay Teng Hock

#### Non-Executive Director

Mr 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 warehouse 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 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 Accountant (UK), and a Fellow of the Institute of Singapore Chartered Accountants.



### Yeo Wee Kiong

#### Independent Director

Mr Yeo Wee 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 other listed companies namely AF Global Ltd, Asian Healthcare Specialists Ltd, Bonvests Holdings Ltd, Pacific Century Regional Development Ltd and Roxy-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 ex-senior 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 Honours degree in law from the University College of London and is also a Barrister-at-Law of Lincoln's Inn for England and Wales.

# KEY EXECUTIVES



**Teo Joo Leng**  
Group General Manager

Mr Teo was appointed General Manager of ONE°15 Marina Sentosa Cove, Singapore in August 2016. He is responsible for the profitability and smooth operations of the Group's flagship marina. Aside from overseeing the existing marinas, he is also responsible for the global expansion of the ONE°15 portfolio.

Mr Teo has more than 15 years of senior level experience in operations, sales and marketing as well as general management in Malaysia, India and Singapore with Singapore Airlines Limited and Far East Hospitality.

Mr Teo graduated from the Nanyang Technological University with a Bachelor (2nd Upper Honours) in Communication Studies.



**Darren Oh**  
General Manager

Mr Oh was appointed as General Manager, Group Business Development in September 2018. He is responsible for growing the ONE°15 Marina brand and the ONE°15 Life yacht chartering business globally.

Mr Oh has over 20 years of experience in the service industry in both public and private sectors including DBS Bank, Singapore Tourism Board and Gardens by the Bay. His other professional experience included heading Singapore Tourism Board offices in Vietnam and Taiwan, and he was the founding member of the management team that developed and operated the award-winning Gardens by the Bay.

Mr Oh graduated with a Bachelor in Business (1st Class Honours) from Nanyang Technological University and Master of Management in Hospitality from Cornell University.

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**Brian Werner**  
**General Manager,**  
**ONE°15 Marina Puteri Harbour, Malaysia**

Mr Werner was appointed General Manager of ONE°15 Marina Puteri Harbour, Malaysia in April 2019. He is responsible for the day to day operations of the ONE°15 Estuari Sports Centre, the public marina as well as the upcoming lifestyle clubhouse.

Spanning over 30 years of work experience, Mr Werner's vast areas of expertise includes project development, sales and marketing, and the management and administration of award-winning resorts, hotels, and country clubs as well as dining outlets, sports facilities, trade events, and marinas in Asia, Mexico, Central America and the United States.

Mr Werner served as the Managing Director of Estrella del Mar Golf & Beach Resort in Mazatlán, Mexico. He was the General Manager of ONE°15 Marina Sentosa Cove from 2012 to 2016. Prior to returning to SUTL Enterprise, he also managed Sutera Harbour Golf Club and Marina in Malaysia as well as successfully secured management contracts and agreements in China, Thailand, Indonesia, Philippines, and Malaysia.

Mr Werner graduated with a B.A. in Recreation Administration from San Diego State University.



**Jonathan Sit**  
**Acting General Manager,**  
**ONE°15 Marina Sentosa Cove, Singapore**

Mr Sit was appointed Acting General Manager of ONE°15 Marina Sentosa Cove, Singapore in September 2020. He is responsible for the smooth operations and profitability of the marina.

Mr Sit joined the company as a Management Associate and had successfully helmed various managerial positions across a number of revenue centres within the company prior to his most recent appointment.

Mr Sit graduated with a Bachelor of Science from the School of Hotel Administration, Cornell University, USA.



**Tan Choon Kiat Jeffery**  
**Group Financial Controller**

Mr Tan was appointed as Group Financial Controller in August 2014. He is responsible for the overall financial management of the Group.

Mr Tan was a Senior Associate with KPMG LLP and had several years of experience as finance manager with SUTL Group of Companies.

Mr Tan graduated from the National University of Singapore and University of Melbourne (U21 Global) with a Bachelor in Business Administration and Master in Business Administration respectively. He is also a member of Institute of Singapore Chartered Accountants.

# CORPORATE SOCIAL RESPONSIBILITY



## National Kidney Foundation (NKF)

Our late founder, Tay Choon Hye, believed in giving back to society in equal measure what we have received. His vision was to support fellow kidney failure sufferers. Therefore, The Tay Choon Hye – NKF Dialysis Centre was made possible by the generous contribution of \$5 million towards the setup of this centre. Over the years, SUTL has continuously contributed to National Kidney Foundation (NKF).



## Singapore Management University (SMU)

The Group has made a contribution of at least \$250,000 to set up the SUTL Scholarship at the Singapore Management University (SMU) since 2019. The scholarship aims to motivate outstanding incoming undergraduates of Vietnamese nationality pursuing any degree programme at SMU to achieve academic excellence, as well as accord them recognition for their accomplishments.



### Updates

No events or activities relating to Corporate Social Responsibility were organised due to the COVID-19 safe distancing measures.

# CORPORATE INFORMATION

## Board Of Directors

### Lew Syn Pau

Non-Executive Chairman and  
Independent Director

### Arthur Tay Teng Guan

Executive Director and  
Chief Executive Officer

### Peter Tay Teng Hock

Non-Executive Director

### Chan Kum Tao

Non-Executive Director

### Yeo Wee Kiong

Independent Director

## Registered Office

100J Pasir Panjang Road  
SUTL House, #05-00,  
Singapore 118525  
T: (65) 6590 7100  
F: (65) 6590 7101

## Company Registration Number

199307251M

## Audit Committee

### Lew Syn Pau

Chairman

### Chan Kum Tao

Member

### Yeo Wee Kiong

Member

## Nominating Committee

### Yeo Wee Kiong

Chairman

### Arthur Tay Teng Guan

Member

### Lew Syn Pau

Member

## Remuneration Committee

### Lew Syn Pau

Chairman

### Chan Kum Tao

Member

### Yeo Wee Kiong

Member

## ISIN CODE

SG1163883082

## Company Secretary

### Adrian Chan Pengee

Lee & Lee

## Share Registrar

### Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place, #32-01  
Singapore Land Tower,  
Singapore 048623

## Auditor

### Ng Boon Heng

Partner-in-charge (Since 2016)  
Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

## Share Listing

The Company's shares are listed  
on the Singapore Exchange  
Securities Trading Limited (SGX-ST)  
Main Board since 2000

## Principal Bankers

Overseas - Chinese Banking  
Corporation Limited  
DBS Bank Ltd  
Malayan Bank Berhad  
CIMB Bank Berhad  
RHB Bank Berhad  
The Hongkong and Shanghai Banking  
Corporation Limited

## General Enquiry/ Investor Relations

For further information about  
SUTL Enterprise Limited,  
please contact the Secretariat  
at the Registered Office  
E: [investors\\_relations@sutl.com](mailto:investors_relations@sutl.com)  
W : [www.sutlenterprise.com](http://www.sutlenterprise.com)





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## CORPORATE GOVERNANCE

The Board of Directors (“**Board**” or “**Directors**”) and the management (the “**Management**”) of SUTL Enterprise Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) recognise the importance of good corporate governance practices. In compliance with Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), this report describes the Group’s corporate governance practices with specific references to the principles and provisions of the Code of Corporate Governance 2018 (“**Code**”). The Company confirms that it has complied with the principles of the Code and where the Company’s practices vary from any provisions of the Code, this is stated with an explanation of the reason for the variation and an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

### (A) BOARD MATTERS

#### The Board’s conduct of affairs

***Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

The Company is headed by an effective Board. The Board is collectively responsible and works with Management for the long-term success of the Company.<sup>1</sup>

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance.<sup>2</sup>

The Group has put in place a code of conduct and ethics, which sets appropriate tone-from-the-top and desired organization culture, and ensures proper accountability within the Group.<sup>3</sup> To acquaint the Group’s employees with the policies and procedures of the Group, which are relevant to their employment, an employee handbook is made available to all employees. The employee handbook sets out, *inter alia*, an introduction to the Group’s business, its vision and mission statement, and the Group’s policies and procedures on unlawful harassment, gratuities and gifts, and prohibited conduct.

Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.<sup>4</sup> The Company’s Constitution provides, *inter alia*, that a Director who is in any way whether directly or indirectly interested in a transaction or proposed transaction with the Company shall declare the nature of his interest at a meeting of the Directors, and shall not vote in respect of any transaction or proposed transaction or arrangement with the Company in which he has directly or indirectly a personal material interest and if he shall do so his vote shall not be counted.

#### Board orientation and development

Directors understand the Company’s business as well as their directorship duties.<sup>5</sup>

Directors are encouraged to attend relevant training courses conducted from time to time by external third parties, such as the Singapore Institute of Directors or the SGX-ST, to keep themselves abreast of developments affecting listed companies. As and when required, the Directors may request to attend training and development courses at the Company’s expense.<sup>6</sup> Updates on relevant legal, accounting

<sup>1</sup> Principle 1 of the Code

<sup>2</sup> Provision 1.1 of the Code

<sup>3</sup> Provision 1.1 of the Code

<sup>4</sup> Provision 1.1 of the Code

<sup>5</sup> Provision 1.2 of the Code

<sup>6</sup> Provision 1.2 of the Code

## CORPORATE GOVERNANCE

and regulatory developments are also provided to Directors in written hand-outs, or by way of briefings and presentations by the external auditors and/or the lawyers from time to time during Board meetings.<sup>7</sup> During the financial year ended 31 December 2020 (“FY2020”), the Directors were provided with a briefing from the external corporate secretarial agent on the amendments to the Listing Manual that took effect on 7 February 2020.<sup>8</sup>

Newly appointed Directors will be given an orientation on the Group’s business strategies, operations and organisation structure as well as the statutory and regulatory obligations of being a Director to ensure that they are aware of the responsibilities and obligations of being an Independent Director.<sup>9</sup> There were no new Directors appointed by the Company during FY2020.

### Board approval

The Board decides on matters that require its approval. Written guidelines are established to specify which material transactions require the Board’s approval, and such guidelines are clearly communicated to Management.<sup>10</sup>

Matters which are reserved for the Board’s decision are as follows:<sup>11</sup>

- (a) approving announcements for the quarterly and full year financial results;
- (b) approval of annual audited financial statements for the Group and the Directors’ Statement thereto;
- (c) approving the appointments and remuneration of directors;
- (d) approving material acquisitions and disposal of assets (materiality thresholds applicable - any transaction outside the ordinary course of business amounting to 3% or more of the relative figures set out in Rule 1006 of the Listing Manual);
- (e) share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders;
- (f) any interested person transaction of a value equal to, or more than, 3% of the Group’s latest audited net tangible assets;
- (g) creating any fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or substantially the whole of the undertaking, property or assets of any company of the Group;
- (h) the Group giving any guarantee or indemnity to secure the liabilities or obligations of any third party amounting to more than S\$2.0 million;
- (i) the Group entering into any contract, arrangement, commitment or transaction of any nature whatsoever amounting to more than S\$2.0 million, that is not entered into in the ordinary and proper course of business on arm’s length terms;
- (j) capital expenses of the Group amounting to more than S\$2.0 million; and

<sup>7</sup> Provision 1.2 of the Code

<sup>8</sup> Provision 1.2 of the Code

<sup>9</sup> Provision 1.2 of the Code

<sup>10</sup> Provision 1.3 of the Code

<sup>11</sup> Provision 1.3 of the Code

## CORPORATE GOVERNANCE

- (k) any matters involving a conflict or potential conflict of interest involving a substantial shareholder or a director.

The Board has established board committees, which are the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively referred to as the “**Board Committees**”). Each Board Committee has its own written terms of references setting out their compositions, authorities and duties, including reporting back to the Board. The names of the Board Committee members, the terms of reference, any delegation of the Board’s authority to make decisions, and a summary of each Board Committee’s activities are disclosed respectively in the sections headed “Audit Committee”, “Nominating Committee” and “Remuneration Committee” below.<sup>12</sup>

### Directors’ attendance at Board and Board Committee meetings in FY2020

Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual director’s attendances at such meetings in FY2020 are disclosed in the table below.<sup>13</sup>

| Meetings                         | Main Board | Audit Committee | Nominating Committee | Remuneration Committee |
|----------------------------------|------------|-----------------|----------------------|------------------------|
| <b>No. of meetings held</b>      | 2          | 4               | 1                    | 1                      |
| <b>Directors</b>                 |            |                 |                      |                        |
| Lew Syn Pau (Independent)        | 2          | 4               | 1                    | 1                      |
| Tay Teng Guan Arthur (Executive) | 2          | NA              | 1                    | NA                     |
| Tay Teng Hock (Non-Executive)    | 2          | NA              | NA                   | NA                     |
| Chan Kum Tao (Non-Executive)     | 2          | 4               | NA                   | 1                      |
| Yeo Wee Kiong (Independent)      | 2          | 4               | 1                    | 1                      |

Directors are allowed to hold directorships in companies outside the Group. The NC and the Board have determined that a Director should not have more than ten listed company board representations. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.<sup>14</sup> As part of the assessment of the performance of the individual Directors, further details of which are set out on page 14 to 15, this included an assessment of the individual Directors’ commitment of time, contributions at meetings, and where a Director has a significant number of listed company directorships and principal commitments, the adequacy of the carrying out of the Director’s duties. The Board has considered the results of the assessment and is satisfied that all Directors were able to and have adequately carried out their duties as a Director of the Company for FY2020.

### Access to information

To enable the Directors to make informed decisions and discharge their duties and responsibilities, the Management provides the Board with complete, adequate and timely information prior to meetings and

<sup>12</sup> Provision 1.4 of the Code

<sup>13</sup> Provision 1.5 of the Code

<sup>14</sup> Provision 1.5 of the Code

## CORPORATE GOVERNANCE

on an on-going basis.<sup>15</sup>

On an on-going basis, the Directors have separate and independent access to Management, the corporate secretarial agent, and external advisers (where necessary) at the Company's expense. The corporate secretarial agent attends all Board Meetings. The appointment and removal of the company secretary is subject to the approval of the Board as a whole.<sup>16</sup>

Overall, the Board's role is to:

- (a) provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- (b) ensure that the necessary resources are in place for the Company to meet its strategic objectives;
- (c) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;
- (d) constructively challenge Management and review its performance;
- (e) instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture;
- (f) ensure transparency and accountability to key stakeholder groups; and
- (g) decide on matters that require its approval and communicate such matters clearly to Management in writing.

In discharging these responsibilities, the Directors rely on, among other things, the Company's officers and external advisers.

### Board Composition and Guidance

***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

Under Provision 2.1 of the Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations<sup>17</sup>, its substantial shareholders<sup>18</sup> or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.<sup>19</sup>

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent.

<sup>15</sup> Provision 1.6 of the Code

<sup>16</sup> Provision 1.7 of the Code

<sup>17</sup> The term "related corporation", in relation to the company, has the same meaning as currently defined in the Companies Act (Chapter 50) of Singapore, i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

<sup>18</sup> A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the Securities and Futures Act (Chapter 289) of Singapore.

<sup>19</sup> Provision 2.1 of the Code

## CORPORATE GOVERNANCE

The Chairman of the Board is Mr Lew Syn Pau, who is an Independent Director.<sup>20</sup> The Board currently comprises five Directors, of which two are Independent Directors based on the provisions relating to independence as set out in the Code<sup>21</sup> and the Listing Manual of the SGX-ST, and two are Non-Executive Directors. During FY2020, non-executive Directors made up a majority of the Board<sup>22</sup> and Independent Directors made up at least one-third of the Board.<sup>23</sup> The Company is in compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, which requires the Board to have at least two non-executive Directors who are independent and free of any material business or financial connection with the Company.

The Board is of the view that the current size of the Board and the Board Committees is adequate and appropriate after taking into account the size of the Group and the costs involved.<sup>24</sup> Together, the Directors bring a wide range of business, legal and financial experiences relevant to the Group and provide an appropriate balance and diversity of skills, knowledge, experience and other aspects of diversity.<sup>25</sup> They also provide core competencies such as accounting or finance, business or management experience and strategic planning experience.

Provision 2.4 of the Code provides, *inter alia*, that the board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the annual report. Principle 2 of the Code states that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company. The Board does not have a written board diversity policy, which constitutes a variation from Provision 2.4 of the Code. The Company is of the view that the intent of Principle 2 was met, as during the evaluation of the effectiveness of the Board as a whole, the criteria considered by each Director in submitting his assessment of the performance of the Board included whether the Board has adequate diversity, for example in terms of skills, experience, gender and knowledge of the Company, and the score given by the Board was relatively high.

During FY2020, the AC met without the presence of the Management regularly and at least once annually. The AC comprises 2 Independent Directors and 1 Non-Executive Director, and the Chairman of the AC is the Chairman of the Board. The Chairman provides feedback to the Board as appropriate.<sup>26</sup>

### Chairman and Chief Executive Officer

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

The Chairman, Mr Lew Syn Pau, and the Chief Executive Officer (“CEO”), Mr Tay Teng Guan Arthur, are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.<sup>27</sup> Mr Lew Syn Pau and Mr Tay Teng Guan Arthur

<sup>20</sup> Provision 2.2 of the Code

<sup>21</sup> Provision 2.2 of the Code

<sup>22</sup> Provision 2.3 of the Code

<sup>23</sup> Footnote 7 to Provision 2.2 states that: “Rule 210(5)(c) of the SGX Listing Rules (Mainboard) / Rule 406(3)(c) of the SGX Listing Rules (Catalist) requires independent directors to make up at least one-third of the Board. This rule will come into effect on 1 January 2022. Prior to 1 January 2022, the corresponding Guideline 2.1 in the 2012 Code of Corporate Governance will continue to apply.”

<sup>24</sup> Provision 2.4 of the Code

<sup>25</sup> Provision 2.4 of the Code

<sup>26</sup> Provision 2.5 of the Code

<sup>27</sup> Provision 3.1 of the Code

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are not immediate family members.<sup>28</sup>

Provision 3.2 provides that the Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO. Principle 3 states that there is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making. The Board has not established and set out in writing the division of responsibilities between the Chairman and the CEO, which constitutes a variation from Provision 3.2 of the Code. The Company is of the view that the intent of Principle 3 was met, as the Chairman and the CEO have been carrying out different roles and responsibilities, and these respective roles and responsibilities are set out below. In addition, the Chairman has extensive experience as a director of companies listed on the SGX-ST, and has been an Independent Director of the Company since 2000 and Chairman of the Board since 2009, which was before the current CEO was appointed as a Director of the Company in 2010. Mr Tay Teng Guan Arthur has been the CEO of the Company since 2010. In 2015, the Company acquired the marina and yacht chartering business, which was operated by SUTL Marina Development Pte. Ltd. ("**SUTL Marina**") and One15 Luxury Yachting Pte. Ltd. ("**One15 Luxury Yachting**"). Mr Tay Teng Guan Arthur has been involved in the management of SUTL Marina since 2004 and of One15 Luxury Yachting since 2007.

The Chairman provides leadership to the Board. He also reviews and approves the meeting agenda for Board meetings and seeks to ensure that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairman assumes the lead role in overseeing the corporate governance processes. The Chairman also seeks to ensure that Board members engage the Management in constructive debate on various matters including strategic issues, facilitates the effective contribution of non-executive Directors in particular, ensures effective communication with shareholders and that the Directors receive complete, adequate and timely information before meetings.<sup>29</sup>

The CEO is responsible for the day-to-day management of the affairs of the Group. He is accountable to the Board for the overall performance of the Group's business operations and strategic planning, and also executes the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of the Group's business through management reports.<sup>30</sup>

The Group's business is conducted by its employees, managers and corporate officers led by the CEO, with oversight from the Board. The Board works with the CEO to elect/appoint other officers who are charged with managing the businesses of the Group. The CEO has the responsibility of overseeing and directing the officers to ensure that the interests of the Company are served.<sup>31</sup>

The Company has not appointed a lead independent director as the Chairman is independent.<sup>32</sup>

### Board Membership

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

### Nominating Committee

According to the written terms of reference of the NC, the NC's duties and responsibilities are as

<sup>28</sup> Rule 1207(10A) of the Listing Manual of the SGX-ST

<sup>29</sup> Provision 3.2 of the Code

<sup>30</sup> Provision 3.2 of the Code

<sup>31</sup> Provision 3.2 of the Code

<sup>32</sup> Provision 3.3 of the Code

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follows:<sup>33</sup>

- (a) making recommendations to the Board on relevant matters relating to:
  - (i) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;<sup>34</sup>
  - (ii) the process and criteria for evaluation of the performance of the Board, its board committees and Directors;
  - (iii) the review of training and professional development programmes for the Board and its Directors;
  - (iv) the appointment and re-appointment of Directors (including alternate directors, if any);
- (b) determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code, the Listing Manual of the SGX-ST, and the Code Practice Guidance;
- (c) prior to 1 January 2022, conducting a rigorous review of the independence of any Director who has served on the Board for more than nine (9) years from the date of his first appointment and the reasons for considering him as independent;
- (d) ensuring that new Directors are aware of their duties and obligations;
- (e) deciding whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, and where a Director holds a significant number of listed company directorships and principal commitments<sup>35</sup>, assessing the ability of the Director to diligently discharge his or her duties;
- (f) considering, and if appropriate, establishing guidelines on what a reasonable and maximum number of such directorships and principal commitments for each Director (or type of Director) should be;
- (g) without limiting the effect of sub-paragraph (a)(ii) above, recommending for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual Director to the Board, in order for the Board to undertake a formal annual assessment of the performance of the Board as a whole, each board committee and each individual Director; and
- (h) reporting to the Board from time to time on its activities.

The NC currently comprises three Directors, two of whom, including its Chairman, are Independent Directors.<sup>36</sup>

For FY2020, the members of the NC were:<sup>37</sup>

|   |                              |
|---|------------------------------|
| Mr Yeo Wee Kiong, Chairman of the NC      | (Independent Director)       |
| Mr Lew Syn Pau, Member of the NC          | (Independent Director)       |
| Mr Tay Teng Guan Arthur, Member of the NC | (Executive Director and CEO) |

<sup>33</sup> Provision 4.1 of the Code

<sup>34</sup> The term "key management personnel" shall mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

<sup>35</sup> The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

<sup>36</sup> Provision 4.2 of the Code

<sup>37</sup> Provision 4.2 of the Code

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### Nomination and selection of Directors

The Company has in place a process for selecting and appointing new Directors to the Board.<sup>38</sup> The search and nomination process for new Directors will be via contacts and recommendations. The NC evaluates potential candidates and their suitability, and makes recommendations to the Board for approval.<sup>39</sup> The criteria considered by the NC include the qualifications and experience of the candidate and his likely contributions to the Board.<sup>40</sup> The screening process is handled by the NC with direct input from the other Directors.

The Company has in place a process for the re-appointment of Directors to the Board.<sup>41</sup> The Company's Constitution provides, *inter alia*, that one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest one-third, shall retire from office at each Annual General Meeting ("**AGM**") of the Company, provided that all Directors shall retire from office at least once in every 3 years. Retiring Directors are selected on the basis of those who have been longest in office since their last election, failing which they shall be selected by agreement or by lot.<sup>42</sup> The NC will consider and recommend the re-appointment of the retiring Directors to the Board. The Board will consider and approve the recommendation of the NC, and will recommend that the re-appointment of the retiring Directors be submitted to the shareholders for approval at the AGM.<sup>43</sup>

### Continuous review of Directors' independence

The NC determines annually, and as and when circumstances require, the independence of each Independent Director, having regard to the circumstances set forth in Provision 2.1 of the Code and the Listing Manual of the SGX-ST.<sup>44</sup> Annually, each Independent Director completes and executes a form declaring and affirming his independence and acknowledging that any relationship with the Company, its related corporations, its substantial shareholders or its officers which may affect his independence should be disclosed.<sup>45</sup>

The NC and Board were satisfied that Mr Lew Syn Pau and Mr Yeo Wee Kiong are independent in light of the provisions of the Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST. The NC also considered the Directors' evaluation results in respect of the performance of the Independent Directors, including the evaluation of their independence of judgement and contributions to the Board.

Guideline 2.4 of the Code of Corporate Governance ("**2012 Code**") continues to apply prior to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST coming into effect on 1 January 2022. Guideline 2.4 of the 2012 Code requires the independence of any Director who has served on the Board beyond nine years to be subject to particularly rigorous review.

As Mr Lew Syn Pau has served on the Board for more than nine years, the NC (excluding Mr Lew Syn Pau in respect of the deliberation of this matter) has conducted a particularly rigorous review of his contributions to the Board to determine if he has maintained his independence.<sup>46</sup> This review included an assessment by all the other members of the Board of Mr Lew Syn Pau's independence of judgement in view that Mr Lew Syn Pau has served on the Board for more than nine years and his independence

<sup>38</sup> Provision 4.3 of the Code

<sup>39</sup> Provision 4.3 of the Code

<sup>40</sup> Provision 4.3 of the Code

<sup>41</sup> Provision 4.3 of the Code

<sup>42</sup> Provision 4.3 of the Code

<sup>43</sup> Provision 4.3 of the Code

<sup>44</sup> Provision 4.4 of the Code

<sup>45</sup> Provision 4.4 of the Code

<sup>46</sup> Guideline 2.4 of the 2012 Code

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should be subject to particularly rigorous review. The NC also considered the form executed by Mr Lew Syn Pau declaring and affirming his independence.

The NC is satisfied with Mr Lew Syn Pau's performance and that Mr Lew Syn Pau has remained independent in his judgement and can continue to discharge his duties objectively, notwithstanding the tenure of his service. The NC further considered that Mr Lew Syn Pau has demonstrated independence in character and judgement, through, *inter alia*, his contributions to Board discussions and deliberations, and ability and preparedness to constructively challenge the Board. Mr Lew Syn Pau has been an Independent Director since April 2000 and has served on the Board for more than 9 years. There was a change in the controlling shareholder in December 2009, when SUTL Global Pte. Ltd. acquired shares of the Company representing 23.36% of the total number of issued shares from Mr Henry Lim Yong Choon, who was then the controlling shareholder of the Company. Also, there was a substantial change in the Group's business in 2015 when the Company acquired the entire issued and paid-up share capital of SUTL Marina and One15 Luxury Yachting.

Pursuant to the new Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which will come into effect on 1 January 2022, a director will not be independent if, *inter alia*, he has been a director for an aggregate period of more than 9 years and his continued appointment as an independent director has not been sought and approved in 2 separate resolutions by certain classes of shareholders (the "two-tier voting process").<sup>47</sup> If such requisite approval by way of the "two tier voting process" is not obtained prior to 1 January 2022, the relevant director (if he continues to hold office as of 1 January 2022) will not be regarded as independent as of 1 January 2022. On the assumption that Mr Lew Syn Pau would continue to be a Director of the Company, in order for Mr Lew Syn Pau to continue to be regarded as independent as of 1 January 2022, his continued appointment as an independent director would have to be sought and approved by way of the above "two-tier voting process". For clarity, Mr Lew Syn Pau will not be seeking the approval by way of the "two-tier voting process".

### Directors' time commitments

The NC ensures that new Directors are aware of their duties and obligations.<sup>48</sup>

The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a director of the Company.<sup>49</sup> The NC considered and was satisfied that all Directors were able to and have adequately carried out their duties as a Director of the Company for FY2020.

The listed company directorships and principal commitments of each Director are disclosed on page 14 to 15 of the Annual Report.<sup>50</sup>

Directors are allowed to hold directorships in companies outside the Group. The NC and the Board have determined that a Director should not have more than ten listed company board representations.<sup>51</sup> During FY2020, none of the Directors exceeded the limit on listed company Board representations.

Provision 1.4 of the Code recommends, *inter alia*, that a summary of the NC's activities be disclosed in the annual report. During FY2020, the NC, *inter alia*, made recommendations to the Board on the appointment and re-appointment of Directors, determined if a Director is independent (having regard to the circumstances set forth in Provision 2.1 of the Code, the Listing Manual of the SGX-ST, and the Practice Guidance accompanying the Code), and conducted a rigorous review of the independence of

<sup>47</sup> Provision 2.1 of the Code

<sup>48</sup> Provision 4.5 of the Code

<sup>49</sup> Provision 4.5 of the Code

<sup>50</sup> Provision 4.5 of the Code

<sup>51</sup> Provision 4.5 of the Code

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any Director who has served on the Board for more than nine (9) years from the date of his first appointment.

### Board Performance

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.***

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.<sup>52</sup>

Annually, each Director submits an assessment of the performance of the Board, its Board Committees, and of each of the other individual Directors for the financial year under review. These assessment forms assess various aspects, including matters relating to the Director's experiences as a member of the Board, his perception of the focus of the Board, the structure and functioning of the Board Committees, the contributions as Chairman by the Chairman of the Board and the Chairman of a Board Committee, and the individual Directors' contributions at meetings. The responses are collated by the external corporate secretarial agent and a consolidated report is submitted to the Board. The responses are then discussed by the Board.<sup>53</sup>

### (B) REMUNERATION MATTERS

#### Procedures for Developing Remuneration Policies

***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

#### Remuneration Committee

According to the written terms of reference of the RC, the RC's duties and responsibilities are as follows:<sup>54</sup>

- (a) reviewing and making recommendations to the Board on:
  - (i) a framework of remuneration for the Board and key management personnel; and
  - (ii) the specific remuneration packages for each Director as well as for the key management personnel,
 and in doing so the Committee considers all aspects of remuneration, including termination terms, to ensure they are fair, and having regard to the provisions of the Code;
- (b) reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service

<sup>52</sup> Provision 5.1 of the Code

<sup>53</sup> Provision 5.2 of the Code

<sup>54</sup> Provision 6.1 of the Code

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contain fair and reasonable termination clauses which are not overly generous;

- (c) where an external remuneration consultant is appointed, reviewing whether the remuneration consultant has any relationship with the Company that could affect his or her independence and objectivity;
- (d) reviewing annually the remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year;
- (e) considering the advice from the AC on risk weighting to be applied to performance objectives incorporated in executive remuneration;
- (f) reviewing whether executive directors, non-executive and independent Directors and key management personnel should be eligible for options, share incentives, awards and other benefits under the schemes; and
- (g) reporting to the Board from time to time on its activities.

The RC currently comprises three directors, all of whom are non-executive Directors, and two of which, including its Chairman, are Independent Directors.

For FY2020, the members of the RC were:<sup>55</sup>

|                                    |                          |
|------------------------------------|--------------------------|
| Mr Lew Syn Pau, Chairman of the RC | (Independent Director)   |
| Mr Yeo Wee Kiong, Member of the RC | (Independent Director)   |
| Mr Chan Kum Tao, Member of the RC  | (Non-Executive Director) |

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.<sup>56</sup> No Director is involved in deciding his own remuneration.<sup>57</sup>

For FY2020, the Company did not engage any external remuneration consultant.<sup>58</sup>

Provision 1.4 of the Code recommends, *inter alia*, that a summary of the RC's activities be disclosed in the annual report. During FY2020, the RC considered the framework of remuneration as well as specific remuneration packages for each Director as well as for the key management personnel, and reviewed whether Directors and key management personnel should be eligible for options, share incentives, awards and other benefits.

### Level and Mix of Remuneration

***Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

The remuneration of the Executive Director (who is also the CEO) and key management personnel comprises a fixed component, a variable component and also other benefits and long term incentives

<sup>55</sup> Provision 6.2 of the Code

<sup>56</sup> Provision 6.3 of the Code

<sup>57</sup> Principle 6 of the Code

<sup>58</sup> Provision 6.4 of the Code

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where applicable. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and each individual's performance.<sup>59</sup> In setting remuneration packages, the RC takes into account the performance of the Group, as well as the performance of the Executive Director and key management personnel.

A meaningful and appropriate portion of Executive Director's and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.<sup>60</sup>

Directors are paid Directors' fees, subject to approval at the Company's AGM. The RC makes a recommendation to the Board of the Directors' fees payable for each year, and seeks to fix Directors' fees that are appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities of Directors.<sup>61</sup>

The remuneration packages are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.<sup>62</sup>

### Disclosure on Remuneration

***Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

The Group's remuneration policy is to provide remuneration packages which are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.<sup>63</sup>

The Group adopts a remuneration policy<sup>64</sup> for the Executive Director (who is also the CEO) and key management personnel comprising a fixed component and a variable component and also other benefits and long term incentives where applicable. The fixed component is in the form of a base salary, and is based on various criteria, including the individual's role and responsibilities, and practices within the industry and comparable companies. The variable component is in the form of a variable bonus that is linked to the performance of the Group and each individual's performance, which is based on various criteria including the Company's profitability and other financial and operational indicators as determined by the Board. Staff appraisals are conducted once a year.

The Group adopts a remuneration policy for non-executive Directors, which takes into consideration the knowledge and expertise of each individual non-executive Director, the responsibilities vested upon them and the effort and time commitment required from the non-executive Directors given the nature of the Group's business.<sup>65</sup>

The breakdown (in percentage terms) of the remuneration for FY2020, of Directors of the Company,

<sup>59</sup> Provision 7.1 of the Code

<sup>60</sup> Provision 7.1 of the Code

<sup>61</sup> Provision 7.2 of the Code

<sup>62</sup> Provision 7.3 of the Code

<sup>63</sup> Provision 7.3 of the Code

<sup>64</sup> Provision 8.1 of the Code

<sup>65</sup> Provision 8.1 of the Code

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is set out below.<sup>66</sup>

| Remuneration band & name of Directors | Base/fixed salary<br>% | Variable or performance related income/Bonus<br>% | Fees<br>(A)<br>% | Benefits and allowances<br>% | Central Provident Fund ("CPF") and other long term incentives<br>% | Total |
|---------------------------------------|------------------------|---|------------------|------------------------------|--|-------|
| <b>Above S\$250,000</b>               |                        |   |                  |                              |  |       |
| <b>Below S\$500,000</b>               |                        |   |                  |                              |  |       |
| Tay Teng Guan Arthur                  | 78                     | 10  | 10               | -                            | 2  | 100   |
| <b>Below S\$250,000</b>               |                        |   |                  |                              |  |       |
| Tay Teng Hock                         | -                      | -   | 100              | -                            | -  | 100   |
| Chan Kum Tao                          | -                      | -   | 100              | -                            | -  | 100   |
| Lew Syn Pau                           | -                      | -   | 100              | -                            | -  | 100   |
| Yeo Wee Kiong                         | -                      | -   | 100              | -                            | -  | 100   |

Notes:

(A) Directors' fees in an aggregate amount are subject to approval by shareholders at the Company's forthcoming AGM.

In view of the COVID-19 pandemic, the Board has taken a voluntary reduction in remuneration and Directors' fees of 10% since 1 July 2020. The Directors' remuneration and fees set out above reflects the remuneration and fees after the reduction.

Provision 8.1(a) of the Code provides, *inter alia*, that the amounts of remuneration of each individual director and the CEO are disclosed in the annual report. Principle 8 of the Code states that the company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation. The Company has not disclosed the amounts of remuneration of each individual Director and the CEO, which constitutes a variation from Provision 8.1(a) of the Code. The Board supports and is aware of the need for transparency. However, after deliberation of, *inter alia*, the competitive pressures and the sensitive nature of the matter, the Board has decided to disclose the remuneration of Directors, including the CEO, in remuneration bands of S\$250,000 and by a percentage breakdown in terms of categories and components instead of the specific remuneration for FY2020. The Board is of the view that the intent of Principle 8 was nevertheless met, as the remuneration policies and the procedure for setting remuneration applicable to the Directors, including the CEO, as well as the level and mix of remuneration applicable, are disclosed above.

The breakdown (in percentage terms) of the remuneration for FY2020, of the top five key management personnel who are not also Directors of the Company, is set out below:<sup>67</sup>

<sup>66</sup> Provision 8.1(a) of the Code

<sup>67</sup> Provision 8.1(b) of the Code

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| Remuneration band & name of Top Key Management Personnel | Base/fixed salary | Variable or performance related income/ bonus | Fees | Benefits and allowances | CPF, pension funds, and other long term incentives | Total |
|--|-------------------|---|------|-------------------------|--|-------|
|  | %                 | %   | %    | %                       | %  |       |
| <b>Below S\$250,000</b>                                  |                   |   |      |                         |  |       |
| Tan Choon Kiat   | 78                | 9   | -    | 3                       | 10   | 100   |
| Darren Oh  | 84                | 7   | -    | 2                       | 7  | 100   |
| Brian Werner   | 93                | -   | -    | 7                       | -  | 100   |
| Teo Joo Leng   | 84                | 7   | -    | 2                       | 7  | 100   |
| Jonathan Sit   | 70                | 14  | -    | 3                       | 13   | 100   |

Total remuneration paid to the above top key management personnel (who are not Directors or the CEO) of the Group for FY2020 was approximately S\$852,000.<sup>68</sup>

Mr Tay Teng Guan Arthur, an Executive Director and the CEO, is a sibling of Mr Tay Teng Hock, a Non-Executive Director. Provision 8.2 of the 2018 Code provides, *inter alia*, that the company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds \$100,000 during the year, in bands no wider than \$100,000, in its annual report. Principle 8 of the 2018 Code states that the company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation. For FY2020, the Company wishes to disclose the remuneration of Mr Tay Teng Guan Arthur and Mr Tay Teng Hock in the manner set out above, for the reasons which are also set out above.

Other than the above, during FY2020, the Group did not employ any substantial shareholders of the Company or any immediate family members of any Director or the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during the year.<sup>69</sup>

On 29 April 2011, the Company put in place a share option scheme approved by shareholders (the “**Share Option Scheme 2011**”). Under this scheme, the number of shares in respect of which options may be granted shall be determined at the discretion of the RC who shall take into account, *inter alia*, the rank, past performance, years of service and potential contribution of the employee. Details of the options granted under the Share Option Scheme 2011 are set out in the Directors’ Statement on page 49 of this Annual Report.<sup>70</sup>

The Share Option Scheme 2011 was adopted for an initial duration of up to a maximum of ten (10) years, and, subject to compliance with any applicable laws and regulations in Singapore, may be continued beyond the above stipulated period with the approval of the shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required. The initial duration of the Share Option Scheme 2011 will expire on 28 April 2021. The approval of shareholders to renew the Share Option Scheme 2011 for a further period of ten (10) years from 29 April 2021 to 28 April 2031 will be sought at the Company’s forthcoming AGM.

<sup>68</sup> Provision 8.1(b) of the Code

<sup>69</sup> Provision 8.2 of the Code

<sup>70</sup> Provision 8.3 of the Code

# CORPORATE GOVERNANCE

## (C) ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The duties and responsibilities of the AC, which are set out in the section headed "Audit Committee" below, include having oversight of risk governance and risk management.<sup>71</sup>

The Board requires and has received assurance from:

- (a) the CEO and the Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and<sup>72</sup>
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.<sup>73</sup>

### Audit Committee

***Principle 10: The Board has an Audit Committee which discharges its duties objectively.***

#### Audit Committee

According to the written terms of reference of the AC, the AC's duties and responsibilities are as follows:<sup>74</sup>

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit;
- (f) reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

<sup>71</sup> Provision 9.1 of the Code

<sup>72</sup> Provision 9.2(a) of the Code

<sup>73</sup> Provision 9.2(b) of the Code

<sup>74</sup> Provision 10.1 of the Code

## CORPORATE GOVERNANCE

- (g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;<sup>75</sup>
- (h) deciding on the appointment, termination and remuneration of the head of the internal audit function, as the primary reporting line of the internal audit function is to the Committee;
- (i) meeting with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually;
- (j) carrying out the functions set out in Section 201B of the Companies Act;
- (k) reviewing and recommending the nature and extent of significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- (l) advising on the Company's overall risk tolerance and strategy;
- (m) overseeing and advising on the current risk exposures and future risk strategy of the Company;
- (n) in relation to risk assessment:
  - (i) keeping under review the Company's overall risk assessment processes that inform the Board's decision making;
  - (ii) reviewing regularly and approving the parameters used in these measures and the methodology adopted; and
  - (iii) setting a process for the accurate and timely monitoring of large exposures and certain risk types of critical importance;
- (o) reviewing the Company's capability to identify and manage new risk types;
- (p) before a decision to proceed is taken by the Board, advising on proposed strategic transactions, focusing in particular on risk aspects and implications for the risk tolerance of the company, and taking independent external advice where appropriate and available;
- (q) reviewing reports on any material breaches of risk limits and the adequacy of proposed action;
- (r) providing advice to the RC on risk weightings to be applied to performance objectives incorporated in executive remuneration;
- (s) monitoring the independence of risk management functions throughout the organization;
- (t) reviewing promptly all relevant risk reports on the Company;
- (u) reviewing and monitoring Management's responsiveness to the findings;

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<sup>75</sup> Provision 10.1(f) of the Code

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## CORPORATE GOVERNANCE

(v) reviewing any matters relating to suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, of which the Committee is aware, which has or is likely to have a material impact on the Company's or Group's operating results and/or financial position, and the findings of any internal investigations, and Management's response thereto; and

(w) reporting to the Board from time to time on its activities.

The Group has a "Whistle Blowing Policy", which is made available to employees, which provides an independent and confidential channel for employees to communicate concerns of wrongdoings, malpractices and illegal acts directly to the Chairman of the AC through the method of communication set out in the policy.<sup>76</sup>

The AC currently comprises three directors, all of whom are non-executive Directors, and the majority of which, including its Chairman, are Independent Directors.<sup>77</sup>

For FY2020, the members of the AC were:<sup>78</sup>

|                                    |                          |
|------------------------------------|--------------------------|
| Mr Lew Syn Pau, Chairman of the AC | (Independent Director)   |
| Mr Yeo Wee Kiong, Member of the AC | (Independent Director)   |
| Mr Chan Kum Tao, Member of the AC  | (Non-Executive Director) |

At least two members of the AC (including the Chairman of the AC) have recent and relevant accounting or related financial management expertise or experience.<sup>79</sup>

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.<sup>80</sup>

The primary reporting line of the internal audit function is to the AC.<sup>81</sup> The internal audit function was conducted by the Company's internal auditor. The AC decides on the appointment, termination and remuneration of the internal auditor.<sup>82</sup> The internal auditor has unfettered access to the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company.<sup>83</sup>

To ensure the adequacy and effectiveness of the internal audit function, the AC reviews the scope of work of the internal auditor on an annual basis. Non-compliance and internal control weaknesses noted during internal audits and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.

The AC is satisfied that, for FY2020, the internal audit function of the Group is independent, effective and adequately resourced.<sup>84</sup>

<sup>76</sup> Provision 10.1(f) of the Code

<sup>77</sup> Provision 10.2 of the Code

<sup>78</sup> Provision 10.2 of the Code

<sup>79</sup> Provision 10.2 of the Code

<sup>80</sup> Provision 10.3 of the Code

<sup>81</sup> Provision 10.4 of the Code

<sup>82</sup> Provision 10.4 of the Code

<sup>83</sup> Provision 10.4 of the Code

<sup>84</sup> Rule 1207(10C) of the Listing Manual of the SGX-ST

## CORPORATE GOVERNANCE

The Company's external auditors are Ernst & Young LLP (an accounting firm registered with the Accounting and Corporate Regulatory Authority of Singapore). The AC had recommended, and the Board had approved the nomination to appoint RSM Chio Lim LLP as the Company's external auditors for the financial year ending 31 December 2021, subject to the approval of shareholders to be obtained at the Company's forthcoming AGM. In view of the aforesaid, Ernst & Young LLP, the existing external auditors of the Company will retire and not seek re-appointment at the AGM.

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least once annually.<sup>85</sup>

During FY2020, the AC held 4 meetings. The external auditors were in attendance at 2 of these meetings, and the internal auditor was in attendance at 2 of these meetings.<sup>86</sup> In addition, the internal auditor also communicates directly with the AC from time to time.

The AC has reviewed all non-audit services to the Group by the external auditors, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.<sup>87</sup> The independence of the external auditors is reviewed by the AC annually. The Company confirms that it has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditing firms.<sup>88</sup> The audit service and non-audit service fees paid or payable for FY2020 are stated in page 83 of this Annual Report.<sup>89</sup>

The Management has in place a system of internal controls to safeguard shareholders' investments and the assets of the Group. It should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. It should be further noted that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board of Directors and the AC have reviewed the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems. Following from the foregoing and based on work done by the internal and external auditors and reviews performed by the Management throughout FY2020, the Board, with the concurrence of the AC, is of the opinion that, for FY2020, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective in providing reasonable assurance of the effectiveness of the Group in safeguarding its assets and shareholders' value under the current business environment.<sup>90</sup>

Provision 1.4 of the Code recommends, *inter alia*, that a summary of the AC's activities be disclosed in the annual report. During FY2020, the AC considered, *inter alia*, the audit plan, the unaudited quarterly financial statements of the Company, the audit review presented by the auditors, and the scope and results of the internal audits conducted.

<sup>85</sup> Provision 10.5 of the Code

<sup>86</sup> Provision 10.5 of the Code

<sup>87</sup> Rule 1207(6)(b) of the Listing Manual of the SGX-ST

<sup>88</sup> Rule 1207(6)(c) of the Listing Manual of the SGX-ST

<sup>89</sup> Rule 1207(6)(a) of the Listing Manual of the SGX-ST

<sup>90</sup> Rule 1207(10) of the Listing Manual of the SGX-ST

# CORPORATE GOVERNANCE

## (D) SHAREHOLDERS RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meetings

***Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, positions and prospects.***

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders, and informs them of the rules governing general meetings of shareholders, including voting procedures.<sup>91</sup> Shareholders have the opportunity to vote in person or by proxy.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the Company explains the reasons and material implications in the notice of meeting.<sup>92</sup>

All resolutions at general meetings are put to the vote by way of poll and the detailed results of the voting for each of the resolutions are announced on the SGX-ST.

All Directors, senior management and the corporate secretarial agent attend general meetings of shareholders. The external auditors are also present at the AGMs to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.<sup>93</sup> During FY2020, the AGM of the Company was the only general meeting that was held, and this was attended by all the Directors at the time.<sup>94</sup>

Provision 11.4 of the Code provides that the company's constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders. Principle 11 of the Code provides, *inter alia*, that the company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. Voting in absentia by mail, facsimile or email, is currently not permitted by the Company's Constitution, which constitutes a variation from Provision 11.4 of the Code.<sup>95</sup> The Company is of the view that the intent of Principle 11 is met, as the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling shareholders to exercise their rights and have the opportunity to vote. Moreover, to allow voting in absentia by mail, facsimile or email would require careful consideration of various factors, including the integrity of information and authentication of the identity of shareholders.

Provision 11.5 of the Code provides, *inter alia*, that the company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. Principle 11 of the Code provides, *inter alia*, that the company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. Save as set out below, customarily the Company does not publish minutes of general meetings of shareholders on its corporate website, which constitutes a variation from Provision 11.5 of the Code. The Company is of the view that the intent of Principle 11 is met, as the corporate secretarial agent prepares minutes of general meetings, which would be provided to shareholders upon their request made in accordance with the Companies Act. The minutes of general meetings would include substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and

<sup>91</sup> Provision 11.1 of the Code

<sup>92</sup> Provision 11.2 of the Code

<sup>93</sup> Provision 11.3 of the Code

<sup>94</sup> Provision 11.3 of the Code

<sup>95</sup> Provision 11.4 of the Code

## CORPORATE GOVERNANCE

responses from the Board and Management.<sup>96</sup>

In light of the COVID-19 pandemic, during FY2020, the Company's AGM was held by electronic means on 23 June 2020 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Pursuant to the Order, the minutes of the AGM held on 23 June 2020 were published on the Company's website and SGXNet within one (1) month after the date of the AGM.

In view of the ongoing COVID-19 pandemic, the Company's forthcoming AGM to be held on 28 April 2021 will also be held by electronic means pursuant to the Order, and the minutes of the AGM to be held on 28 April 2021 will be published on the Company's website and SGXNet within one (1) month after the date of the AGM.

The declaration of final dividends, if any, is to be recommended by the Directors and subject to the approval of the shareholders by ordinary resolution. The Company's dividend policy is to distribute dividends based on the Company's performance, taking into consideration the resources needed for the Company's continuing and future operations and possible future plans.<sup>97</sup> After considering the Company's dividend policy, the Board is of the view that it is in the Company's interest to distribute a dividend of 2 Singapore cents per share representing 53.7% of the Group's net attributable profit to shareholders in FY2020 (based on the total number of issued shares excluding any shares held as treasury shares or which comprise subsidiary holdings as at the latest practicable date of 30 March 2021).<sup>98</sup>

### Engagement with Shareholders

***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

The Company's website is at <http://sutlenterprise.com/>. The Company provides avenues for communication between the Board and all shareholders.<sup>99</sup> The AGM is the principal forum for dialogue with shareholders. All shareholders of the Company receive a copy of the Annual Report and notice of the Company's AGM. The notice is also advertised in the newspaper and made available via timely SGXNET announcements. The Company encourages active shareholder participation at its general meetings. Shareholders' views are sought at general meetings, and shareholders are given the opportunity to air their views and ask Directors and Management questions regarding the Company and the Group.

The Company's latest annual reports, financial results, corporate announcements and share trading information are available on the Company's website, and the Company also provides an email alert service so that shareholders and investors may be automatically alerted by email once the Company releases any announcements or filings on the SGX-ST.

The Company is committed to providing timely and transparent disclosures to enable the investment community to make reasonable assessments about the Group's performance. From time to time, SGXNET announcements are made in relation to the Group or its business. The Company also regularly conducts analyst briefings for persons who wish to seek a better understanding of the Group's business and operations. Key management personnel would be present at such briefings. This effort enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insight to the Company. Presentation materials for such briefings are made available on SGXNET.

<sup>96</sup> Provision 11.5 of the Code

<sup>97</sup> Provision 11.6 of the Code

<sup>98</sup> Provision 11.6 of the Code

<sup>99</sup> Provision 12.1 of the Code

## CORPORATE GOVERNANCE

Provision 12.2 of the Code provides that the company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Principle 12 of the Code provides that the company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company. The Company does not currently have a written investor relations policy, which constitutes a variation from Provision 12.2 of the Code. The Company is of the view that the intent of Principle 12 is met, as there is a section on “Investor Relations” on the Company’s website. From this section, the Company’s latest annual reports, financial results, corporate announcements and share trading information can be assessed, and the Company also provides an email alert service so that shareholders and investors may be automatically alerted by email once the Company releases any announcements or filings on the SGX-ST. Shareholders and investors may also communicate with the Company and, as the case may be, submit any notices of interests or questions, via the Company’s investor relations email address of [investors\\_relations@sutl.com](mailto:investors_relations@sutl.com), through which shareholders may contact the Company with questions and through which the Company may respond to such questions.<sup>100</sup>

### (E) MANAGING STAKEHOLDERS RELATIONSHIPS

#### Engagement with Stakeholders

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.<sup>101</sup>

The Company’s key stakeholders comprise its members and customers, employees, the community, regulators and policy makers. The Company actively engages in meaningful and productive dialogue with its stakeholders and participate in various industry and government forums to keep abreast of any material stakeholder issues.<sup>102</sup>

Details of the Company’s strategy and key areas of focus in relation to the management of stakeholder relationships during FY2020 will be set out in the Company’s Sustainability Report for FY2020, which will be posted electronically on SGXNET and the Company’s corporate website before the end of May 2021.<sup>103</sup>

The Company maintains a current corporate website at <http://sutlenterprise.com/>, to communicate and engage with stakeholders.<sup>104</sup>

### (F) OTHER MATTERS

#### Interested Person Transactions

The Company does not have a shareholder’s mandate for interested person transactions pursuant to Rule 920

<sup>100</sup> Provision 12.3 of the Code

<sup>101</sup> Provision 13.1 of the Code

<sup>102</sup> Provision 13.1 of the Code

<sup>103</sup> Provision 13.2 of the Code

<sup>104</sup> Provision 13.3 of the Code

## CORPORATE GOVERNANCE

of the Listing Manual of the SGX-ST.

During FY2020, there were no interested person transactions (excluding transactions less than S\$100,000) entered into.

### Material Contracts

Save as disclosed in this Annual Report, there were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders which were still subsisting as at 31 December 2020 or if not then subsisting, entered into since 31 December 2019.

### Securities Transactions

The Group has adopted and implemented an internal policy governing securities transactions by its officers and employees. Under the internal policy, officers and other employees are reminded that (i) an officer of the Company should not deal in the securities of the Company on short-term considerations; and (ii) the Company and its officers should not deal in the securities of the Company during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of the relevant results.

### (G) ADDITIONAL INFORMATION RELATING TO DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED TO THE BOARD

#### Mr Lew Syn Pau

|   |   |
|---|---|
| Age   | 67  |
| Country of Principal Residence  | Singapore   |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries                                      | Nil   |
| Conflict of interest (including any competing business)   | Nil   |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1)   | Submitted to the Company  |
| Any prior experience as a director of an issuer listed on the Exchange?<br><br>If yes, please provide details of prior experience.<br><br>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a | Yes. He has been an independent director of SUTL Enterprise Limited since April 2000, and has been a director of many statutory boards and companies in Singapore, including Singapore Telecommunications Ltd, Food Empire Holdings Limited, and Golden Agri-Resources Ltd. |

## CORPORATE GOVERNANCE

|   |  |
|---|--|
| <p>director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p> |  |
|---|--|

### Mr Tay Teng Guan Arthur

|   |   |
|---|---|
| Age   | 64  |
| Country of Principal Residence  | Singapore   |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries  | <p>Sibling of Mr Tay Teng Hock, who is a Non-Executive Director of the Company.</p> <p>Uncle of Mr Tay Kuan Wee Alex, who is the Special Assistant to the CEO, and is a son of Mr Tay Teng Hock.</p> <p>Uncle of Mr Tay Kuan Jin Alvin, who is the Senior Business Development Manager, and is a son of Mr Tay Teng Hock.</p>   |
| Conflict of interest (including any competing business)   | <p>No.</p> <p>Mr Tay Teng Guan Arthur is a shareholder of SUTL Global Pte. Ltd., and has interests in the SUTL group of companies, a diversified enterprise with businesses in consumer goods and leisure. The Company has obtained undertakings such that Mr Tay Teng Guan Arthur shall not be engaged in certain businesses. The details of such undertakings are set out on page 17 of the circular to shareholders issued by the Company dated 11 May 2015 in relation to, <i>inter alia</i>, the proposed acquisition by the Company of SUTL Marina Development Pte Ltd and ONE15 Luxury Yachting Pte Ltd (the “<b>Circular</b>”).</p> |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1)   | Submitted to the Company.   |
| <p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> | <p>Yes. From 1988 to 2012, independent director of Sing Investments &amp; Finance Limited.</p>  |

## CORPORATE GOVERNANCE

|  |  |
|--|--|
| <p><b>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</b></p> |  |
|--|--|

Further information relating to the Directors who are proposed to be re-elected to the Board is also set out on page 14 of the Annual Report.

The re-election of Mr Lew Syn Pau as the Independent Director of the Company and re-election of Mr Tay Teng Guan Arthur as the Executive Director and the CEO of the Company were recommended by the NC, and the Board has accepted the recommendations, after taking into consideration each of their qualifications, expertise and overall contributions to the Company from each of their initial appointment as a Director of the Company.

The shareholding interest of Mr Lew Syn Pau and Mr Tay Teng Guan Arthur in the Group is set out on pages 47 to 48 of the Annual Report.

Mr Lew Syn Pau and Mr Tay Teng Guan Arthur have individually confirmed that for each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST, the answer is "no".

## SUSTAINABILITY REPORTING

SUTL Enterprise upholds high standards of responsible, sustainable and socially aware business practices. We are committed to incorporating sustainability in our corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. We prudently balance economic viability with sustainability and social progress for future generations. During these unsettling times caused by the COVID-19 outbreak, the Group stays committed to prioritising the safety of our members, guests and employees.

Below is a summary table of the material topics in line with the Global Reporting Initiative (“GRI”) standards that are relevant to the Group and our stakeholders.

| Economic  | Environmental  | Social   |
|---|--|--|
| Indirect Economic Impacts<br>Anti-Corruption<br>Procurement Practices | Energy<br>Water<br>Biodiversity<br>Effluents and Waste<br>Environmental Compliance | Employment<br>Occupational Health and Safety<br>Training and Education<br>Diversity and Equal Opportunity<br>Local Community<br>Customer Health and Safety<br>Customer Privacy<br>Socioeconomic Compliance |

More information on the Group’s efforts on sustainability management in FY2020 can be found in our 2020 Sustainability Report which will be posted electronically on SGXNet and our corporate website in May 2021.

## DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of SUTL Enterprise Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2020.

### Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### Directors

The directors of the Company in office at the date of this statement are:

Lew Syn Pau  
Tay Teng Guan Arthur  
Tay Teng Hock  
Chan Kum Tao  
Yeo Wee Kiong

### Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

### Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in the shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

|                        | Direct interest                    |                              | Deemed interest                    |                              |
|------------------------|------------------------------------|------------------------------|------------------------------------|------------------------------|
|                        | At the beginning of financial year | At the end of financial year | At the beginning of financial year | At the end of financial year |
| <b>The Company</b>     |                                    |                              |                                    |                              |
| <i>Ordinary shares</i> |                                    |                              |                                    |                              |
| Tay Teng Guan Arthur   | –                                  | –                            | 47,389,942                         | 47,389,942                   |
| Lew Syn Pau            | 144,000                            | 144,000                      | –                                  | –                            |

## DIRECTORS' STATEMENT

### Directors' interests in shares and debentures (cont'd)

|                      | Direct interest                    |                              | Deemed interest                    |                              |
|----------------------|------------------------------------|------------------------------|------------------------------------|------------------------------|
|                      | At the beginning of financial year | At the end of financial year | At the beginning of financial year | At the end of financial year |
| <b>The Company</b>   |                                    |                              |                                    |                              |
| <i>Share options</i> |                                    |                              |                                    |                              |
| Tay Teng Guan Arthur | 250,000                            | 500,000                      | –                                  | –                            |
| Lew Syn Pau          | 125,000                            | 250,000                      | –                                  | –                            |
| Chan Kum Tao         | 100,000                            | 200,000                      | –                                  | –                            |
| Tay Teng Hock        | 100,000                            | 200,000                      | –                                  | –                            |

By virtue of his direct interest in SUTL Global Pte. Ltd, Mr Tay Teng Guan Arthur is deemed, under Section 7 of the Singapore Companies Act, Chapter 50, to have an interest in all the shares of the Company held by SUTL Global Pte. Ltd.

Mr Tay Teng Guan Arthur, who by virtue of his deemed interest of not less than 50% of the issued share capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries and in the shares held by the Company in the following subsidiaries that are not wholly owned by the Group:

|  | Direct interest                    |                              | Deemed interest                    |                              |
|--|------------------------------------|------------------------------|------------------------------------|------------------------------|
|  | At the beginning of financial year | At the end of financial year | At the beginning of financial year | At the end of financial year |
| <b>Sarandra Malaysia Sdn Bhd</b>       |                                    |                              |                                    |                              |
| <i>Ordinary shares</i>                 | –                                  | –                            | 3,480,000                          | 3,480,000                    |
| <b>One15 Marina Development Bhd</b>    |                                    |                              |                                    |                              |
| <i>Ordinary shares</i>                 | –                                  | –                            | 5,000,000                          | 5,000,000                    |
| <b>One15 Marina Management Sdn Bhd</b> |                                    |                              |                                    |                              |
| <i>Ordinary shares</i>                 | –                                  | –                            | 100                                | 100                          |

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2021.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

### Share options

Share Option Scheme 2011 for the employees of the Group and directors of the Company ("SOS 2011") was approved by the members of the Company at an Extraordinary General Meeting held on 29 April 2011.

Pursuant to the SOS 2011, participants would be granted options to subscribe for ordinary shares of the Company, and the options granted will have an exercise period expiring at the end of five years (for Non-Executive Directors) and ten years (for the employees of the Group) from the date of the grant.

## DIRECTORS' STATEMENT

### Share options (cont'd)

The exercise price is at:

- a price which is equivalent to the market price (as determined under the rules of the SOS 2011); or
- a price which is set at a discount to the market price (as determined under the rules of the SOS 2011), provided that the maximum discount shall not exceed 20% of the market price.

The options will be exercisable after the expiration of the first and second anniversaries of the date the options are granted.

The SOS 2011 is administered by the Remuneration Committee whose members are:

|               |            |
|---------------|------------|
| Lew Syn Pau   | (Chairman) |
| Chan Kum Tao  | (Member)   |
| Yeo Wee Kiong | (Member)   |

On 3 July 2020, the Company granted options to directors and employees of the Group to subscribe for 1,125,000 (2019: 1,025,000) shares in the Company. 50% of the share options will be exercisable after the first anniversary of the date of grant. The balance of the share options will be exercisable after the second anniversary of the date of grant, provided that the options granted to the executive employees and executive director shall be exercised before the tenth anniversary of the date of grant, and the share options granted to non-executive directors shall be exercised before the fifth anniversary of the relevant date of grant. The exercise price is S\$0.38 (2019: S\$0.577).

Details of the options to subscribe for ordinary shares of the Company granted to directors, controlling shareholders and their associates and employees of the Group pursuant to SOS 2011 are as follows:

| Name of holders                                    | Options granted during the financial year under review | Aggregate options granted since commencement of Scheme to end of financial year under review | Aggregate options exercised/ (lapsed) since commencement of Scheme to end of financial year under review | Aggregate options outstanding as at year end of financial year under review |
|--|--|--|--|---|
| <b>SOS 2011</b>                                    |  |  |  |   |
| <u>Directors</u>                                   |  |  |  |   |
| Lew Syn Pau  | 125,000  | 250,000  | –  | 250,000   |
| Chan Kum Tao                                       | 100,000  | 200,000  | –  | 200,000   |
| Ng Teck Sim Colin<br>(Retired on 30 December 2019) | –  | 100,000  | (100,000)  | –   |
| Yeo Wee Kiong                                      | 100,000  | 100,000  | –  | 100,000   |
| <u>Controlling shareholder and his associates</u>  |  |  |  |   |
| Tay Teng Guan Arthur                               | 250,000  | 500,000  | –  | 500,000   |
| Tay Teng Hock                                      | 100,000  | 200,000  | –  | 200,000   |
|  |  |  | –  |   |
| Employees  | 450,000  | 1,030,000  | (230,000)  | 800,000   |
|  | 1,125,000  | 2,380,000  | (330,000)  | 2,050,000   |

Aggregate options granted since commencement of SOS 2011 to end of the financial year under review is 2,380,000 (2019: 1,255,000).

## DIRECTORS' STATEMENT

### **Audit Committee**

The Audit Committee ("AC") carried out its functions in accordance with the Listing Manual and the Code of Corporate Governance. The functions performed and further details are set out in the Corporate Governance Report.

### **Auditor**

Ernst & Young LLP have indicated that they would not be seeking re-appointment at the forthcoming Annual General Meeting of the Company.

On behalf of the board of directors:

Tay Teng Guan Arthur  
Director

Tay Teng Hock  
Director

Singapore  
31 March 2021

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# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020  
To the members of SUTL Enterprise Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of SUTL Enterprise Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2020, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020

To the members of SUTL Enterprise Limited

## Key audit matters (cont'd)

### *Impairment of trade receivables*

As at 31 December 2020, the Group's gross trade receivables amounted to approximately \$2.7million. Allowance for doubtful trade receivables amounted to approximately \$0.6 million.

The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The Group applies the simplified approach and records lifetime expected credit losses on trade receivables. The Group has also identified two distinct debtor groups, corporate and individual, as they have different credit risk profiles. In applying expected credit loss model for these two distinct debtor groups, the Group uses historical loss rate which was based on bad debts written off in the prior years for each aged bracket. The historical loss was also adjusted with forward-looking information which incorporated forecasted macroeconomic factors. The application of expected credit losses model required significant management judgement and estimation uncertainty that has been heightened by the global economic slowdown ensuing the Covid-19 pandemic, as such, we determined that this is a key audit matter.

As part of the audit, we obtained an understanding of the Group's processes and controls relating to the monitoring of trade receivables and management's consideration of the receivables' aging in determining historical loss rate. As determining the allowance for doubtful debts requires significant management judgement and estimation, we assessed management's estimates on the historical loss rate through analysis of historical ageing of receivables and assessment of significant overdue individual debtors. We also reviewed forward looking adjustments determined by management by comparing to market sources. We also checked the data inputs used and arithmetic accuracy of loss allowance computation. Our procedures also included requesting confirmations for selected debtors and reviewing for collectability by way of obtaining evidence of receipts from the debtors subsequent to the year end. We considered the adequacy of the Group's disclosures on the trade receivables and the related risks such as credit risk and liquidity risk in Notes 13 and 30 to the financial statements.

## Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020

To the members of SUTL Enterprise Limited

## Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
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# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020  
To the members of SUTL Enterprise Limited

## **Auditor's responsibilities for the audit of the financial statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore  
31 March 2021

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# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

|   | Note | 2020<br>\$'000  | 2019<br>\$'000  |
|---|------|-----------------|-----------------|
| Sales of goods and services                   | 4    | 16,149          | 20,868          |
| Membership related fees and management fees   | 4    | 11,432          | 10,940          |
| Other income                                  | 5    | 1,819           | 555             |
| <b>Total income</b>                           |      | <b>29,400</b>   | <b>32,363</b>   |
| <b>Items of expense</b>                       |      |                 |                 |
| Salaries and other employee benefits          | 6    | (9,895)         | (11,607)        |
| Advertising, publication and event expenses   |      | (659)           | (1,558)         |
| Depreciation of property, plant and equipment | 10   | (6,132)         | (5,831)         |
| Cost of sales                                 |      | (3,021)         | (4,568)         |
| Repair, maintenance and cleaning expenses     |      | (1,538)         | (1,750)         |
| Utilities                                     |      | (683)           | (692)           |
| Property tax                                  |      | (171)           | (879)           |
| Allowance for doubtful receivables            |      | (702)           | (82)            |
| Bank and credit card charges                  |      | (510)           | (409)           |
| Other operating expenses                      |      | (2,465)         | (1,857)         |
| <b>Total expenses</b>                         |      | <b>(25,776)</b> | <b>(29,233)</b> |
| <b>Profit before taxation</b>                 | 7    | 3,624           | 3,130           |
| Income tax expense                            | 8    | (1,217)         | (1,336)         |
| <b>Profit for the year</b>                    |      | <b>2,407</b>    | <b>1,794</b>    |
| <b>Attributable to:</b>                       |      |                 |                 |
| Owners of the Company                         |      | 3,184           | 2,484           |
| Non-controlling interests                     |      | (777)           | (690)           |
| <b>Profit for the year</b>                    |      | <b>2,407</b>    | <b>1,794</b>    |

| <b>Earnings per share attributable to owners of the Company (cents)</b> |   |      |      |
|---|---|------|------|
| Basic   | 9 | 3.69 | 2.87 |
| Diluted   | 9 | 3.69 | 2.87 |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

(Amounts expressed in Singapore dollars)

|   | Note | 2020<br>\$'000 | 2019<br>\$'000 |
|---|------|----------------|----------------|
| <b>Other comprehensive income:</b>  |      |                |                |
| <i>Item that may be reclassified subsequently to profit or loss</i>                           |      |                |                |
| Foreign currency translation loss, representing total other comprehensive income for the year |      | (1)            | (4)            |
| <b>Total comprehensive income for the year</b>  |      | 2,406          | 1,790          |
| <b>Attributable to:</b>   |      |                |                |
| Owners of the Company   |      | 3,183          | 2,475          |
| Non-controlling interests   |      | (777)          | (685)          |
|   |      | 2,406          | 1,790          |

## BALANCE SHEETS

As at 31 December 2020

(Amounts expressed in Singapore dollars)

|                                      | Note | Group          |                | Company        |                |
|--------------------------------------|------|----------------|----------------|----------------|----------------|
|                                      |      | 2020<br>\$'000 | 2019<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 |
| <b>ASSETS</b>                        |      |                |                |                |                |
| <b>Non-current assets</b>            |      |                |                |                |                |
| Property, plant and equipment        | 10   | 77,620         | 78,131         | –              | –              |
| Investments in subsidiaries          | 11   | –              | –              | 41,162         | 26,161         |
|                                      |      | <u>77,620</u>  | <u>78,131</u>  | <u>41,162</u>  | <u>26,161</u>  |
| <b>Current assets</b>                |      |                |                |                |                |
| Inventories                          | 12   | 119            | 142            | –              | –              |
| Trade and other receivables          | 13   | 2,770          | 3,544          | 1              | 346            |
| Prepayments                          |      | 409            | 426            | –              | 5              |
| Amounts due from related companies   | 14   | 56             | 102            | 100            | –              |
| Cash and bank balances               | 15   | 50,372         | 48,129         | 26,971         | 36,199         |
|                                      |      | <u>53,726</u>  | <u>52,343</u>  | <u>27,072</u>  | <u>36,550</u>  |
| <b>Total assets</b>                  |      | <u>131,346</u> | <u>130,474</u> | <u>68,234</u>  | <u>62,711</u>  |
| <b>EQUITY AND LIABILITIES</b>        |      |                |                |                |                |
| <b>Current liabilities</b>           |      |                |                |                |                |
| Trade and other payables             | 16   | 11,143         | 9,368          | 340            | 355            |
| Amounts due to related companies     | 14   | 114            | 70             | –              | 3              |
| Loan from a subsidiary               | 17   | –              | –              | 14,390         | 6,460          |
| Bank borrowing                       | 18   | 119            | –              | –              | –              |
| Deferred membership income           | 19   | 3,597          | 3,774          | –              | –              |
| Income tax payable                   |      | 2,540          | 1,682          | 32             | 58             |
|                                      |      | <u>17,513</u>  | <u>14,894</u>  | <u>14,762</u>  | <u>6,876</u>   |
| <b>Net current assets</b>            |      | <u>36,213</u>  | <u>37,449</u>  | <u>12,310</u>  | <u>29,674</u>  |
| <b>Non-current liabilities</b>       |      |                |                |                |                |
| Deferred membership income           | 19   | 48,070         | 52,070         | –              | –              |
| Loan from a non-controlling interest | 20   | 4,210          | 3,996          | –              | –              |
| Bank borrowing                       | 18   | 1,360          | –              | –              | –              |
| Deferred tax liabilities             | 21   | 1,605          | 1,296          | –              | –              |
|                                      |      | <u>55,245</u>  | <u>57,362</u>  | <u>–</u>       | <u>–</u>       |
| <b>Total liabilities</b>             |      | <u>72,758</u>  | <u>72,256</u>  | <u>14,762</u>  | <u>6,876</u>   |
| <b>Net assets</b>                    |      | <u>58,588</u>  | <u>58,218</u>  | <u>53,472</u>  | <u>55,835</u>  |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## BALANCE SHEETS

As at 31 December 2020

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2020<br>\$'000 | 2019<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 |
| <b>Equity attributable to owners of the Company</b> |      |                |                |                |                |
| Share capital                                       | 22   | 46,780         | 46,780         | 40,810         | 40,810         |
| Treasury shares                                     | 23   | (431)          | –              | (431)          | –              |
| Retained earnings                                   |      | 12,748         | 11,293         | 12,910         | 14,966         |
| Other reserves                                      | 24   | 336            | 213            | 183            | 59             |
|   |      | 59,433         | 58,286         | 53,472         | 55,835         |
| <b>Non-controlling interests</b>                    |      | (845)          | (68)           | –              | –              |
| <b>Total equity</b>                                 |      | 58,588         | 58,218         | 53,472         | 55,835         |
| <b>Total equity and liabilities</b>                 |      | 131,346        | 130,474        | 68,234         | 62,711         |

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

(Amounts expressed in Singapore dollars)

|   | Attributable to owners of the Company |   |                                      |  |                             |                                       | Non-controlling interests<br>\$'000 |
|---|---------------------------------------|---|--------------------------------------|--|-----------------------------|---------------------------------------|-------------------------------------|
|   | Equity, total<br>\$'000               | Equity attributable to owners of the Company, total<br>\$'000 | Share capital<br>(Note 22)<br>\$'000 | Treasury shares<br>(Note 23)<br>\$'000 | Retained earnings<br>\$'000 | Other reserves<br>(Note 24)<br>\$'000 |                                     |
| <b>Group</b>  |                                       |   |                                      |  |                             |                                       |                                     |
| <b>2020</b>   |                                       |   |                                      |  |                             |                                       |                                     |
| <b>Balance as at 1 January 2020</b>                       | 58,218                                | 58,286  | 46,780                               | –                                      | 11,293                      | 213                                   | (68)                                |
| <b>Profit/(loss) for the year</b>                         | 2,407                                 | 3,184   | –                                    | –                                      | 3,184                       | –                                     | (777)                               |
| <u>Other comprehensive income</u>                         |                                       |   |                                      |  |                             |                                       |                                     |
| Foreign currency translation loss                         | (1)                                   | (1)   | –                                    | –                                      | –                           | (1)                                   | –                                   |
| <b>Total comprehensive income for the year</b>            | 2,406                                 | 3,183   | –                                    | –                                      | 3,184                       | (1)                                   | (777)                               |
| <u>Contributions by and distributions to owners</u>       |                                       |   |                                      |  |                             |                                       |                                     |
| Dividends on ordinary shares (Note 25)                    | (1,729)                               | (1,729)   | –                                    | –                                      | (1,729)                     | –                                     | –                                   |
| Share-based payment expense                               | 124                                   | 124   | –                                    | –                                      | –                           | 124                                   | –                                   |
| Purchase of treasury shares                               | (431)                                 | (431)   | –                                    | (431)                                  | –                           | –                                     | –                                   |
| <b>Total contributions by and distributions to owners</b> | (2,036)                               | (2,036)   | –                                    | (431)                                  | (1,729)                     | 124                                   | –                                   |
| <b>Balance as at 31 December 2020</b>                     | 58,588                                | 59,433  | 46,780                               | (431)                                  | 12,748                      | 336                                   | (845)                               |

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

(Amounts expressed in Singapore dollars)

|   | Attributable to owners of the Company |  |   |                                |  |  |
|---|---------------------------------------|--|---|--------------------------------|--|--|
|   | Equity,<br>total<br>\$'000            | Equity<br>attributable<br>to owners<br>of the<br>Company,<br>total<br>\$'000 | Share<br>capital<br>(Note 22)<br>\$'000 | Retained<br>earnings<br>\$'000 | Other<br>reserves<br>(Note 24)<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 |
| <b>Group</b>  |                                       |  |   |                                |  |  |
| <b>2019</b>   |                                       |  |   |                                |  |  |
| <b>Balance as at 1 January 2019</b>                       | 57,865                                | 57,341   | 46,780                                  | 10,538                         | 23                                       | 524  |
| <b>Profit/(loss) for the year</b>                         | 1,794                                 | 2,484  | –                                       | 2,484                          | –  | (690)                                      |
| <u>Other comprehensive income</u>                         |                                       |  |   |                                |  |  |
| Foreign currency translation (loss)/gain                  | (4)                                   | (9)  | –                                       | –                              | (9)                                      | 5  |
| <b>Total comprehensive income for the year</b>            | 1,790                                 | 2,475  | –                                       | 2,484                          | (9)                                      | (685)                                      |
| <u>Contributions by and distributions to owners</u>       |                                       |  |   |                                |  |  |
| Dividends on ordinary shares (Note 25)                    | (1,729)                               | (1,729)  | –                                       | (1,729)                        | –  | –  |
| Share-based payment expense                               | 59                                    | 59   | –                                       | –                              | 59                                       | –  |
| <b>Total contributions by and distributions to owners</b> | (1,670)                               | (1,670)  | –                                       | (1,729)                        | 59                                       | –  |
| <u>Others</u>   |                                       |  |   |                                |  |  |
| Contribution of assets                                    | 233                                   | 140  | –                                       | –                              | 140                                      | 93   |
| <b>Total others</b>                                       | 233                                   | 140  | –                                       | –                              | 140                                      | 93   |
| <b>Balance as at 31 December 2019</b>                     | 58,218                                | 58,286   | 46,780                                  | 11,293                         | 213                                      | (68)                                       |

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

(Amounts expressed in Singapore dollars)

|   | Equity,<br>total<br>\$'000 | Share<br>capital<br>(Note 22)<br>\$'000 | Treasury<br>shares<br>(Note 23)<br>\$'000 | Retained<br>earnings<br>\$'000 | Other<br>reserves<br>(Note 24)<br>\$'000 |
|---|----------------------------|---|---|--------------------------------|--|
| <b>Company</b>  |                            |   |   |                                |  |
| <b>2020</b>   |                            |   |   |                                |  |
| <b>Balance as at 1 January 2020</b>                                     | 55,835                     | 40,810                                  | –   | 14,966                         | 59                                       |
| Loss for the year, representing total comprehensive income for the year | (327)                      | –                                       | –   | (327)                          | –  |
| <u>Contributions by and distributions to owners</u>                     |                            |   |   |                                |  |
| Dividends on ordinary shares (Note 25)                                  | (1,729)                    | –                                       | –   | (1,729)                        | –  |
| Share-based payment expense   | 124                        | –                                       | –   | –                              | 124                                      |
| Purchase of treasury shares   | (431)                      | –                                       | (431)                                     | –                              | –  |
| <b>Total contributions by and distributions to owners</b>               | <b>(2,036)</b>             | <b>–</b>                                | <b>(431)</b>                              | <b>(1,729)</b>                 | <b>124</b>                               |
| <b>Balance as at 31 December 2020</b>                                   | <b>53,472</b>              | <b>40,810</b>                           | <b>(431)</b>                              | <b>12,910</b>                  | <b>183</b>                               |

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

|   | Equity,<br>total<br>\$'000 | Share<br>capital<br>(Note 22)<br>\$'000 | Retained<br>earnings<br>\$'000 | Other<br>reserves<br>(Note 24)<br>\$'000 |
|---|----------------------------|---|--------------------------------|--|
| <b>Company</b>  |                            |   |                                |  |
| <b>2019</b>   |                            |   |                                |  |
| <b>Balance as at 1 January 2019</b>                                     | 57,882                     | 40,810                                  | 17,072                         | –  |
| Loss for the year, representing total comprehensive income for the year | (377)                      | –                                       | (377)                          | –  |
| <u>Contributions by and distributions to owners</u>                     |                            |   |                                |  |
| Dividends on ordinary shares (Note 25)                                  | (1,729)                    | –                                       | (1,729)                        | –  |
| Share-based payment expense   | 59                         | –                                       | –                              | 59                                       |
| <b>Total contributions by and distributions to owners</b>               | (1,670)                    | –                                       | (1,729)                        | 59                                       |
| <b>Balance as at 31 December 2019</b>                                   | 55,835                     | 40,810                                  | 14,966                         | 59                                       |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

(Amounts expressed in Singapore dollars)

|  | 2020    | 2019    |
|--|---------|---------|
|  | \$'000  | \$'000  |
| <b>Operating activities</b>  |         |         |
| Profit before taxation   | 3,624   | 3,130   |
| Adjustments for:   |         |         |
| Depreciation of property, plant and equipment                      | 6,132   | 5,831   |
| Deferred membership income recognised                              | (4,177) | (4,271) |
| Gain on disposal of property, plant and equipment                  | (28)    | –       |
| Property, plant and equipment written off                          | 1,020   | –       |
| Allowance for doubtful receivables, net                            | 702     | 82      |
| Interest expense   | 214     | –       |
| Interest income  | (277)   | (475)   |
| Share-based payment expense  | 124     | 59      |
| Currency realignment   | 5       | (4)     |
| Total adjustments  | 3,715   | 1,222   |
| <b>Operating cash flows before changes in working capital</b>      | 7,339   | 4,352   |
| Changes in working capital:  |         |         |
| Decrease in inventories  | 23      | 6       |
| Decrease/(increase) in trade and other receivables and prepayments | 89      | (150)   |
| Decrease/(increase) in amounts due from related companies          | 46      | (10)    |
| Increase in trade and other payables                               | 1,740   | 62      |
| Increase in amounts due to related companies                       | 44      | 2,829   |
| Total changes in working capital                                   | 1,942   | 2,737   |
| <b>Cash flows generated from operations</b>                        | 9,281   | 7,089   |
| Income tax paid  | (37)    | (48)    |
| Interest paid  | (5)     | –       |
| Interest received  | 277     | 475     |
| <b>Net cash flows generated from operating activities</b>          | 9,516   | 7,516   |
| <b>Investing activities</b>  |         |         |
| Purchase of property, plant and equipment (Note B)                 | (6,620) | (7,089) |
| Proceeds from disposal of property, plant and equipment            | 28      | 30      |
| <b>Net cash flows used in investing activities</b>                 | (6,592) | (7,059) |

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

(Amounts expressed in Singapore dollars)

|   | 2020          | 2019          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| <b>Financing activities</b>   |               |               |
| Dividends paid on ordinary shares                                   | (1,729)       | (1,729)       |
| Loan from non-controlling interests                                 | –             | 3,996         |
| Purchase of treasury shares   | (431)         | –             |
| Proceeds from bank borrowing  | 1,479         | –             |
| <b>Net cash flows (used in)/generated from financing activities</b> | <b>(681)</b>  | <b>2,267</b>  |
| <b>Net increase in cash and bank balances</b>                       | <b>2,243</b>  | <b>2,724</b>  |
| <b>Cash and bank balances as at 1 January (Note A)</b>              | <b>48,129</b> | <b>45,405</b> |
| <b>Cash and bank balances as at 31 December (Note A)</b>            | <b>50,372</b> | <b>48,129</b> |

### Note A

Included in cash and bank balances is an amount of \$335,000 (2019: \$230,000) restricted bank deposits. The unrestricted cash and cash equivalents as at 31 December 2020 is \$50,037,000 (2019: \$47,899,000).

### Note B

|  | 2020         | 2019         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| <b>Purchase of property, plant and equipment:</b>                  |              |              |
| Aggregate cost of property, plant and equipment acquired (Note 10) | 6,645        | 7,394        |
| Adjustments:   |              |              |
| Recognition of right-of-use assets                                 | –            | (71)         |
| Contribution of assets from a non-controlling interest             | –            | (234)        |
| Others   | (25)         | –            |
| Cash payments to acquire property, plant and equipment             | <b>6,620</b> | <b>7,089</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 1. Corporate information

SUTL Enterprise Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the Singapore Exchange. The ultimate holding company is SUTL Global Pte. Ltd. which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 100J Pasir Panjang Road, #05-00, SUTL House, Singapore 118525.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 2. Summary of significant accounting policies

### 2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS (I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

### 2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2020. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

| Description  | Effective for annual periods beginning on or after |
|--|--|
| <i>Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | To be determined <sup>1</sup>                      |
| <i>Amendments to SFRS(I) 16 Covid-19 Related Rent Concessions</i>  | 1 June 2020  |
| <i>Annual Improvements to SFRS(I)s 2018-2020</i>   | 1 January 2022                                     |
| <i>Amendments to SFRS(I) 3 Reference to the Conceptual Framework</i>   | 1 January 2022                                     |
| <i>Amendments to SFRS(I) 1-16 Property, Plant and Equipment - Proceeds before Intended Use</i>   | 1 January 2022                                     |
| <i>Amendments to SFRS(I) 1-37 Onerous Contracts - Cost of Fulfilling a Contract</i>  | 1 January 2022                                     |
| <i>Amendment to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current - Deferral of Effective Date</i>                   | 1 January 2023                                     |
| <i>SFRS(I) 17 Insurance Contracts</i>  | 1 January 2023 <sup>2</sup>                        |
| <i>Amendments to SFRS(I) 17</i>  | 1 January 2023                                     |

<sup>1</sup> The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the ASC in December 2015 via Amendment to Effective Date of Amendments to SFRS(I) 10 and SFRS(I) 1-28.

<sup>2</sup> The mandatory effective date of this Standard had been revised from 1 January 2021 to 1 January 2023 by the ASC in Nov 2020 via Amendments to SFRS(I) 17.

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

### 2.4 *Basis of consolidation and business combinations*

#### (a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.4 *Basis of consolidation and business combinations (cont'd)*

#### (a) *Basis of consolidation (cont'd)*

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the statement of comprehensive income; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to the statement of comprehensive income or retained earnings, as appropriate.

#### (b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the statement of comprehensive income.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interest are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the statement of comprehensive income on the acquisition date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.5 *Transactions with non-controlling interest*

Non-controlling interest represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the statement of comprehensive income of the Group on disposal of the foreign operation.

#### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 2. Summary of significant accounting policies (cont'd)

#### 2.6 *Foreign currency (cont'd)*

##### (b) *Consolidated financial statements (cont'd)*

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in the statement of comprehensive income. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the statement of comprehensive income.

#### 2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income, in which case the increase is recognised in the statement of comprehensive income. A revaluation deficit is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.7 *Property, plant and equipment (cont'd)*

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

|                                |                      |
|--------------------------------|----------------------|
| Leasehold land                 | Remaining lease term |
| Leasehold building             | Remaining lease term |
| Renovations                    | 5 - 10 years         |
| Furniture and fittings         | 3 - 7 years          |
| Office and operating equipment | 5 years              |
| Motor vehicles                 | 10 years             |
| Pontoons and fixtures          | 3 - 10 years         |
| Computers                      | 3 - 10 years         |
| Other equipment                | 5 - 7 years          |

Assets under construction included in the property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is de-recognised.

### 2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### 2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.9 *Impairment of non-financial assets (cont'd)*

Impairment losses of continuing operations are recognised in the statement of comprehensive income, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of comprehensive income.

### 2.10 *Financial instruments*

#### (a) *Financial assets*

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the statement of comprehensive income are expensed in the statement of comprehensive income.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### *Subsequent measurement*

###### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

##### *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of comprehensive income when the assets are derecognised or impaired, and through amortisation process.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.10 *Financial instruments (cont'd)*

#### (a) *Financial assets (cont'd)*

##### ***De-recognition***

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in the statement of comprehensive income.

#### (b) *Financial liabilities*

##### ***Initial recognition and measurement***

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### ***Subsequent measurement***

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

##### ***De-recognition***

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in the statement of comprehensive income.

### 2.11 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.12 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 2.13 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.14 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.15 *Employee benefits*

#### (a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) *Employee share option plans*

Employees of the Group may receive remuneration in the form of share options as consideration for services rendered.

The cost of these equity-settled share-based payment with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in the statement of comprehensive income, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share option reserve is transferred to retained earnings upon the forfeiture of the share option scheme.

#### (c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.16 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Sales of goods and services

Sales of goods and services comprise all income and proceeds from sales resulting from the operations of the marina and all facilities therein and are recognised as and when goods and services are provided. Revenue arising from chartering of vessels is accounted for on a straight-line basis over the contracted charter periods.

#### (b) Membership related fees and management fees

Membership related fees comprise all income relating to the club membership.

##### Subscription fee

Subscription fee is recognised on a straight-line basis over the period of the subscription.

##### Entrance fee

Entrance fee is recognised on a straight-line basis over the membership tenure period in which the entrance fee is paid. Non-refundable upfront entrance fee is deferred and presented in balance sheet as deferred membership income.

##### Transfer fee

Transfer fee is recognised upon transfer of membership.

##### Management fee

Management fee is recognised as and when services are provided.

### 2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is recognised as income in equal amounts over the expected useful life of the related asset.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.18 Taxes

#### (a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in the statement of comprehensive income except to the extent that the tax relates to items recognised outside the statement of comprehensive income, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.18 Taxes (cont'd)

#### (b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### (c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

### 2.19 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.20 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if issued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

|                                |         |
|--------------------------------|---------|
| Office and operating equipment | 5 years |
|--------------------------------|---------|

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.9.

#### (b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2. Summary of significant accounting policies (cont'd)

### 2.21 Leases (cont'd)

#### *Group as a lessee (cont'd)*

#### (b) *Lease liabilities (cont'd)*

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### (c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office and operating equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 2.22 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### ***Provision for expected credit losses of trade receivables***

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs and the carrying amount of the Group's trade receivables is disclosed in Note 13 to the financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 4. Revenue

#### *Disaggregation of revenue*

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2020</b>  | <b>2019</b> |
|  | \$'000       | \$'000      |
| <b><i>Primary geographical market</i></b>    |              |             |
| Singapore                                    | 27,249       | 31,498      |
| Malaysia                                     | 332          | 310         |
|  | 27,581       | 31,808      |
| <b><i>Major service lines</i></b>            |              |             |
| Sales of goods and services                  | 16,149       | 20,868      |
| Membership related fees and management fees  | 11,432       | 10,940      |
|  | 27,581       | 31,808      |
| <b><i>Timing of transfer of services</i></b> |              |             |
| At a point in time                           | 16,459       | 20,158      |
| Over time                                    | 11,122       | 11,650      |
|  | 27,581       | 31,808      |

### 5. Other income

|                            | <b>Group</b> |             |
|----------------------------|--------------|-------------|
|                            | <b>2020</b>  | <b>2019</b> |
|                            | \$'000       | \$'000      |
| Interest income            | 277          | 475         |
| Income on insurance claims | 280          | –           |
| Government grants          | 1,115        | –           |
| Others                     | 147          | 80          |
|                            | 1,819        | 555         |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 6. Salaries and other employee benefits

|  | Group  |        |
|--|--------|--------|
|  | 2020   | 2019   |
|  | \$'000 | \$'000 |
| Wages, salaries and bonuses                | 7,928  | 9,401  |
| Contributions to defined contribution plan | 892    | 918    |
| Other short-term benefits                  | 1,075  | 1,288  |
|  | 9,895  | 11,607 |

#### *Share Option Scheme*

Under the Share Option Scheme 2011 (“SOS 2011”), the Company may grant options to employees of the Group and directors of the Company. The options granted are exercisable after the expiration of the first and second anniversaries of the date the options are granted. There are no cash settlement alternatives. These options do not entitle the holder to participate, by virtue of the options, in any share issue of any other corporation.

The SOS 2011 is effective from 29 April 2011 for a maximum period of 10 years.

1,125,000 (2019: 1,025,000) options were granted in the financial year ended 31 December 2020. There were 2,050,000 (2019: 925,000) options outstanding at 31 December 2020.

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The expenses recognised in 2020 for share-based payment is \$124,000 (2019: \$59,000).

#### Fair value of share options

The fair value of share options is estimated at grant date using Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

The following table states the inputs to the model used.

|                                    | 2020      |           | 2019      |           |
|------------------------------------|-----------|-----------|-----------|-----------|
|                                    | Tranche 1 | Tranche 2 | Tranche 1 | Tranche 2 |
| Expected volatility (%)            | 48.2%     | 50.0%     | 49.6%     | 48.9%     |
| Risk-free interest rate (%)        | 0.58%     | 0.64%     | 1.76%     | 1.79%     |
| Expected life of options (years)   | 5.5       | 6.0       | 5.5       | 6.0       |
| Exercise price (S\$)               | 0.380     | 0.380     | 0.577     | 0.577     |
| Share price at date of grant (S\$) | 0.360     | 0.360     | 0.570     | 0.570     |

The weighted average fair value of options granted was \$0.10 (2019: \$0.20).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 7. Profit before taxation

Profit before taxation is stated after charging/(crediting) the following:

|  | Group  |        |
|--|--------|--------|
|  | 2020   | 2019   |
|  | \$'000 | \$'000 |
| Maintenance expenses                                     | 1,282  | 1,530  |
| Property, plant and equipment written off                | 1,020  | –      |
| Professional fees and insurance fees                     | 340    | 735    |
| Foreign exchange loss/(gain)                             | 20     | (86)   |
| Interest expense on loan from a non-controlling interest | 214    | –      |
| Fees paid/payable to auditor of the Company              |        |        |
| - Audit fees   | 132    | 137    |
| - Non-audit fees   | 47     | 46     |
| Expenses relating to short-term lease                    | 62     | 32     |
| Gain on disposal of property, plant and equipment        | (28)   | –      |

### 8. Income tax expense

#### *Major components of income tax expense*

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

|  | Group  |        |
|--|--------|--------|
|  | 2020   | 2019   |
|  | \$'000 | \$'000 |
| <b>Consolidated statement of comprehensive income:</b> |        |        |
| <b><i>Current income tax</i></b>                       |        |        |
| - Current year   | 1,047  | 859    |
| - (Over)/under provision in respect of previous years  | (139)  | 200    |
|  | 908    | 1,059  |
| <b><i>Deferred income tax (Note 21)</i></b>            |        |        |
| - Current year   | 320    | 307    |
| - Over provision in respect of previous years          | (11)   | (30)   |
|  | 309    | 277    |
|  | 1,217  | 1,336  |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 8. Income tax expense (cont'd)

#### *Relationship between income tax expense and profit before taxation*

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 is as follows:

|   | Group  |        |
|---|--------|--------|
|   | 2020   | 2019   |
|   | \$'000 | \$'000 |
| Profit before taxation  | 3,624  | 3,130  |
| Tax at the domestic rates applicable to profits in the countries where the Group operates | 480    | 413    |
| Adjustments:  |        |        |
| Non-deductible expenses   | 754    | 228    |
| Income not subject to taxation  | (155)  | –      |
| Tax losses not available to be carried forward  | 2      | 55     |
| Deferred tax assets not recognised  | 395    | 414    |
| Effect of partial tax exemption and tax relief  | (150)  | (106)  |
| (Over)/under provision in respect of previous years                                       | (150)  | 200    |
| Others  | 41     | 132    |
|   | 1,217  | 1,336  |

The statutory income tax rates in the countries where the Group operates are as follows:

- Singapore 17%
- Malaysia 24%

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The Group has unutilised tax losses of approximately \$2,993,000 (2019: \$1,114,000) that are available for offset against future taxable profits of the companies in which these arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. Details of the unutilised tax losses are as follows:

| Originating year | Can be utilised up to | Unutilised<br>as at 31<br>December<br>2020 | Unutilised<br>as at 31<br>December<br>2019 |
|------------------|-----------------------|--|--|
|                  |                       | \$'000                                     | \$'000                                     |
| 2019             | 2026                  | 850  | 850  |
| 2020             | 2027                  | 1,146                                      | –  |
| No expiry        | –                     | 997  | 264  |
|                  |                       | 2,993                                      | 1,114                                      |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 8. Income tax expense (cont'd)

The use of these tax losses is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the countries in which the companies operate.

#### Tax consequences of proposed dividends

There are no income tax consequences (2019: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 25).

### 9. Earnings per share

Basic earnings per share ("Basic EPS") are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings ("Diluted EPS") per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2020</b>  | <b>2019</b> |
| <b>Basic EPS</b>   |              |             |
| Profit, net of tax, attributable to owners of the Company used in the computation of basic earnings per share (\$'000)   | 3,184        | 2,484       |
| Weighted average number of ordinary shares for basic earnings per share computation                                      | 86,374,000   | 86,461,000  |
| Basic earnings per share (cents)   | 3.69         | 2.87        |
| <b>Diluted EPS</b>   |              |             |
| Profit, net of tax, attributable to owners of the Company used in the computation of diluted earnings per share (\$'000) | 3,184        | 2,484       |
| Weighted average number of ordinary shares for basic earnings per share computation                                      | 86,374,000   | 86,461,000  |
| Add: Potential dilutive shares from share option scheme  | 17,007       | –           |
| Weighted average number of ordinary shares for diluted earnings per share computation                                    | 86,391,007   | 86,461,000  |
| Diluted earnings per share (cents)   | 3.69         | 2.87        |

925,000 (2019: 925,000) share options granted to employees under the share option scheme have not been included in the calculation of diluted earnings per share because they are anti-dilutive. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 10. Property, plant and equipment

| Group   | Leasehold land \$'000 | Freehold land \$'000 | Leasehold building \$'000 | Renovations and fittings \$'000 | Furniture \$'000 | Office and operating equipment \$'000 | Right-of-use assets \$'000 | Motor vehicles \$'000 | Pontoons and fixtures \$'000 | Computers \$'000 | Other equipment \$'000 | Construction in progress \$'000 | Total \$'000 |
|---|-----------------------|----------------------|---------------------------|---------------------------------|------------------|---------------------------------------|----------------------------|-----------------------|------------------------------|------------------|------------------------|---------------------------------|--------------|
| <b>Cost</b>   |                       |                      |                           |                                 |                  |                                       |                            |                       |                              |                  |                        |                                 |              |
| Balance as at 1 January 2019                        | 32,476                | —                    | 64,744                    | 3,357                           | 2,753            | 2,370                                 | —                          | 680                   | 14,480                       | 2,710            | 1,407                  | 1,472                           | 126,449      |
| Additions   | —                     | 3,349                | 9                         | 494                             | 45               | 66                                    | 71                         | 37                    | 493                          | 85               | 209                    | 2,536                           | 7,394        |
| Disposals   | —                     | —                    | —                         | (41)                            | —                | (45)                                  | —                          | —                     | (90)                         | (107)            | (37)                   | —                               | (320)        |
| Currency realignment                                | —                     | —                    | —                         | —                               | —                | —                                     | —                          | —                     | —                            | 2                | —                      | (2)                             | —            |
| Balance as at 31 December 2019 and 1 January 2020   | 32,476                | 3,349                | 64,753                    | 3,851                           | 2,757            | 2,391                                 | 71                         | 717                   | 14,883                       | 2,690            | 1,579                  | 4,006                           | 133,523      |
| Additions   | —                     | 200                  | —                         | 133                             | 296              | 17                                    | 3                          | —                     | 48                           | 229              | 1,180                  | 4,539                           | 6,645        |
| Write-offs  | —                     | —                    | —                         | (136)                           | (2,702)          | (1,970)                               | —                          | (396)                 | (14,378)                     | (2,419)          | (841)                  | —                               | (22,842)     |
| Disposals   | —                     | —                    | —                         | —                               | —                | (2)                                   | —                          | (24)                  | —                            | —                | (84)                   | —                               | (110)        |
| Currency realignment                                | —                     | (3)                  | —                         | —                               | (6)              | —                                     | 1                          | —                     | —                            | —                | 6                      | (1)                             | (3)          |
| Balance as at 31 December 2020                      | 32,476                | 3,546                | 64,753                    | 3,848                           | 345              | 436                                   | 75                         | 297                   | 553                          | 500              | 1,840                  | 8,544                           | 117,213      |
| <b>Accumulated depreciation and impairment loss</b> |                       |                      |                           |                                 |                  |                                       |                            |                       |                              |                  |                        |                                 |              |
| Balance as at 1 January 2019                        | 8,016                 | —                    | 19,145                    | 1,391                           | 2,483            | 2,060                                 | —                          | 433                   | 13,291                       | 2,187            | 845                    | —                               | 49,851       |
| Charge for the year                                 | 1,531                 | —                    | 2,872                     | 448                             | 78               | 134                                   | 22                         | 37                    | 350                          | 198              | 161                    | —                               | 5,831        |
| Disposals   | —                     | —                    | —                         | —                               | (41)             | (42)                                  | —                          | —                     | (89)                         | (105)            | (13)                   | —                               | (290)        |
| Balance as at 31 December 2019 and 1 January 2020   | 9,547                 | —                    | 22,017                    | 1,839                           | 2,520            | 2,152                                 | 22                         | 470                   | 13,552                       | 2,280            | 993                    | —                               | 55,392       |
| Charge for the year                                 | 1,531                 | —                    | 3,062                     | 505                             | 101              | 88                                    | 32                         | 36                    | 440                          | 123              | 214                    | —                               | 6,132        |
| Write-offs  | —                     | —                    | —                         | (27)                            | (2,570)          | (1,923)                               | —                          | (388)                 | (13,909)                     | (2,206)          | (799)                  | —                               | (21,822)     |
| Disposals   | —                     | —                    | —                         | —                               | —                | (2)                                   | —                          | (24)                  | —                            | —                | (84)                   | —                               | (110)        |
| Currency realignment                                | —                     | —                    | —                         | —                               | —                | —                                     | —                          | —                     | —                            | —                | 1                      | —                               | 1            |
| Balance as at 31 December 2020                      | 11,078                | —                    | 25,079                    | 2,317                           | 51               | 315                                   | 54                         | 94                    | 83                           | 197              | 325                    | —                               | 39,593       |
| <b>Net carrying amount</b>                          |                       |                      |                           |                                 |                  |                                       |                            |                       |                              |                  |                        |                                 |              |
| Balance as at 31 December 2019                      | 22,929                | 3,349                | 42,736                    | 2,012                           | 237              | 239                                   | 49                         | 247                   | 1,331                        | 410              | 586                    | 4,006                           | 78,131       |
| Balance as at 31 December 2020                      | 21,398                | 3,546                | 39,674                    | 1,531                           | 294              | 121                                   | 21                         | 203                   | 470                          | 303              | 1,515                  | 8,544                           | 77,620       |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 11. Investments in subsidiaries

### (a) Unquoted equity shares

|                                    | Company       |               |
|------------------------------------|---------------|---------------|
|                                    | 2020          | 2019          |
|                                    | \$'000        | \$'000        |
| Unquoted equity shares, at cost    | 17,593        | 17,593        |
| Long term advances to a subsidiary | 23,569        | 8,568         |
|                                    | <u>41,162</u> | <u>26,161</u> |

Long term advances to a subsidiary are unsecured, non-interest bearing and repayable at the discretion of the subsidiary, only when the cash flows of a subsidiary permit. These amounts relate to contributions from the Company, which form part of the Company's net investment in a subsidiary and are accounted for at cost less accumulated impairment losses.

### (b) Composition of the Group

The Group has the following Investments in subsidiaries:

| Name<br>(Country of incorporation<br>and place of business)                           | Principal activities  | Proportion (%)<br>of ownership<br>interest |      | Cost of<br>investment |                |
|---|---|--|------|-----------------------|----------------|
|   |   | 2020                                       | 2019 | 2020<br>\$'000        | 2019<br>\$'000 |
| <b>Held by SUTL Enterprise Limited</b>  |   |  |      |                       |                |
| SUTL Marina Development<br>Pte. Ltd. <sup>(1)</sup><br>(Singapore)                    | Operating and<br>maintaining a marina and<br>its annexes ("One°15<br>Marina Club")  | 100  | 100  | 17,328                | 17,328         |
| ONE15 Luxury Yachting<br>Pte. Ltd. <sup>(1)</sup><br>(Singapore)                      | Yacht chartering  | 100  | 100  | 87                    | 87             |
| ONE15 Marina Holdings<br>Pte. Ltd. <sup>(1)</sup><br>(Singapore)                      | Investment holding  | 100  | 100  | #                     | #              |
| ONE15 Management and<br>Technical Services<br>Pte. Ltd. <sup>(1)</sup><br>(Singapore) | Provision of business and<br>management consultancy<br>services and provision of<br>management and<br>technical services for<br>marina activities | 100  | 100  | 178                   | 178            |
|   |   |  |      | <u>17,593</u>         | <u>17,593</u>  |

# Amount is less than \$1,000.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 11. Investments in subsidiaries (cont'd)

#### (b) *Composition of the Group (cont'd)*

| Name<br>(Country of incorporation and<br>place of business)                             | Principal activities  | Proportion (%)<br>of ownership<br>interest |      |
|---|---|--|------|
|   |   | 2020                                       | 2019 |
| <b><i>Held through ONE15 Marina Holdings Pte. Ltd.</i></b>                              |   |  |      |
| Sarandra Malaysia Sdn Bhd <sup>(2)</sup><br>(Malaysia)                                  | Investment holding  | 60   | 60   |
| SUTL Marina Holdings<br>Sdn Bhd <sup>(2)</sup><br>(Malaysia)                            | Investment holding  | 100  | 100  |
| One15 Events Management Pte.<br>Ltd. <sup>(1)</sup>                                     | Event and concert organiser   | 100  | 100  |
| <b><i>Held through Sarandra Malaysia Sdn Bhd</i></b>                                    |   |  |      |
| One15 Marina Development Bhd <sup>(2)</sup><br>(Malaysia)                               | Construct, develop and manage<br>a marina, marina club, hotel,<br>recreation centre and other<br>facilities | 60   | 60   |
| One15 Marina Management<br>Sdn Bhd <sup>(2)</sup> (Malaysia)                            | Managing and developing<br>marina club, and development<br>of building projects for own<br>operation        | 60   | 60   |
| <b><i>Held through One15 Events Management Pte. Ltd.</i></b>                            |   |  |      |
| One15 Events Management<br>(Haikou) Ltd. <sup>(3)</sup> (People's Republic<br>of China) | Marina, yachting and sports<br>event planning and organising  | 100  | –    |

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

<sup>(2)</sup> Audited by member firms of Ernst & Young Global in Malaysia

<sup>(3)</sup> Not required to be audited under the laws of its country of incorporation

On 30 September 2020, a wholly-owned subsidiary of the Group, One15 Events Management Pte Ltd incorporated One15 Events Management (Haikou) Ltd (“OEMH”) for a cash consideration of RMB30,000 (equivalent to \$6,066), OEMH is principally involved in marina, yachting and sports event planning and organising.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 11. Investments in subsidiaries (cont'd)

#### (c) *Interest in subsidiaries with material non-controlling interest ("NCI")*

As at 31 December 2020, the Group has the following subsidiaries that have NCI that are material to the Group.

| Name of subsidiary                             | Principal place of business | Proportion of ownership interest held by NCI | Loss allocated to NCI during the reporting period<br>\$'000 | Other comprehensive income allocated to NCI during the reporting period<br>\$'000 | Contribution of assets<br>\$'000 | Accumulated NCI at the end of the reporting period<br>\$'000 |
|--|-----------------------------|--|---|---|----------------------------------|--|
| <b>31 December 2020:</b>                       |                             |  |   |   |                                  |  |
| Sarandra Malaysia Sdn Bhd and its subsidiaries | Malaysia                    | 40%  | (777)   | –   | –                                | (845)  |
| <b>31 December 2019:</b>                       |                             |  |   |   |                                  |  |
| Sarandra Malaysia Sdn Bhd and its subsidiaries | Malaysia                    | 40%  | (690)   | 5   | 93                               | (68)   |

#### *Significant restrictions:*

There was no significant restriction on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 11. Investments in subsidiaries (cont'd)

### (d) Summarised financial information about subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany elimination of subsidiaries with material non-controlling interests are as follows:

#### Summarised balance sheets

|                                  | <b>Sarandra Malaysia Sdn<br/>Bhd and its subsidiaries</b> |             |
|----------------------------------|---|-------------|
|                                  | <b>2020</b>   | <b>2019</b> |
|                                  | \$'000  | \$'000      |
| Current assets                   | 4,395   | 6,788       |
| Current liabilities              | (7,822)   | (5,804)     |
| Net current (liabilities)/assets | (3,427)   | 984         |
| Non-current assets               | 9,361   | 7,706       |
| Non-current liabilities          | (6,181)   | (6,994)     |
| Net (liabilities)/assets         | (247)   | 1,696       |

#### Summarised statements of comprehensive income

|   | <b>Sarandra Malaysia Sdn<br/>Bhd and its subsidiaries</b> |             |
|---|---|-------------|
|   | <b>2020</b>   | <b>2019</b> |
|   | \$'000  | \$'000      |
| Revenue                                 | 332   | 377         |
| Loss for the year                       | (1,943)   | (1,722)     |
| Other comprehensive income for the year | –   | (4)         |
| Total comprehensive income for the year | (1,943)   | (1,726)     |

#### Other summarised information

|  | <b>Sarandra Malaysia Sdn<br/>Bhd and its subsidiaries</b> |             |
|--|---|-------------|
|  | <b>2020</b>   | <b>2019</b> |
|  | \$'000  | \$'000      |
| Net cash flows used in operations                  | (1,464)   | (1,038)     |
| Net cash flows generated from financing activities | 402   | 10,191      |
| Net cash flows used in investing activities        | (1,872)   | (4,608)     |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 12. Inventories

|   | Group  |        |
|---|--------|--------|
|   | 2020   | 2019   |
|   | \$'000 | \$'000 |
| <b>Balance sheet:</b>                                 |        |        |
| Food and beverage                                     | 91     | 99     |
| Sundry stores and others                              | 28     | 43     |
|   | 119    | 142    |
|   |        |        |
|   | Group  |        |
|   | 2020   | 2019   |
|   | \$'000 | \$'000 |
| <b>Statement of comprehensive income:</b>             |        |        |
| Inventories recognised as an expense in cost of sales | 1,497  | 2,350  |

### 13. Trade and other receivables

|  | Group   |         | Company |        |
|--|---------|---------|---------|--------|
|  | 2020    | 2019    | 2020    | 2019   |
|  | \$'000  | \$'000  | \$'000  | \$'000 |
| Trade receivables                        | 2,740   | 3,623   | –       | –      |
| Less: Allowance for doubtful receivables | (604)   | (764)   | –       | –      |
|  | 2,136   | 2,859   | –       | –      |
| Refundable deposits                      | 304     | 279     | 1       | 12     |
|  | 2,440   | 3,138   | 1       | 12     |
| Other receivables                        | 3,309   | 3,219   | –       | 334    |
| Less: Allowance for doubtful receivables | (2,979) | (2,813) | –       | –      |
|  | 330     | 406     | –       | 334    |
|  | 2,770   | 3,544   | 1       | 346    |

#### **Trade receivables**

Trade receivables mainly relate to receivables in respect of subscription fees and marina operations and management. These are non-interest bearing and are normally settled on 30 to 90 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 13. Trade and other receivables (cont'd)

#### *Trade receivables (cont'd)*

#### *Expected credit losses (ECL)*

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2020</b>  | <b>2019</b> |
|  | \$'000       | \$'000      |
| Trade receivables – nominal amounts            | 645          | 850         |
| Less: Allowance for doubtful trade receivables | (604)        | (764)       |
|  | 41           | 86          |
|  | 41           | 86          |

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2020</b>  | <b>2019</b> |
|   | \$'000       | \$'000      |
| Movement in allowance accounts:                 |              |             |
| Balance as at 1 January                         | 764          | 928         |
| Charge to the statement of comprehensive income | 481          | 82          |
| Written off against allowance                   | (641)        | (246)       |
| Balance as at 31 December                       | 604          | 764         |
|   | 604          | 764         |

#### *Other receivables*

|                                       | <b>Group</b> |             | <b>Company</b> |             |
|---------------------------------------|--------------|-------------|----------------|-------------|
|                                       | <b>2020</b>  | <b>2019</b> | <b>2020</b>    | <b>2019</b> |
|                                       | \$'000       | \$'000      | \$'000         | \$'000      |
| Debt reassigned                       | –            | 270         | –              | 270         |
| Interest receivable on fixed deposits | –            | 65          | –              | 65          |
| Receivables from members              | 174          | –           | –              | –           |
| Others                                | 156          | 71          | –              | (1)         |
|                                       | 330          | 406         | –              | 334         |
|                                       | 330          | 406         | –              | 334         |

During the year ended 31 December 2014, in connection with the disposal of non-controlling interest in a subsidiary, the Company entered into a reassignment agreement with a subsidiary to reassign trade debts owing by a customer in the Philippines to the Company and reclassified as Other Receivables. Accordingly, the allowance for doubtful trade receivables had also been reassigned to the Company.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 13. Trade and other receivables (cont'd)

#### *Expected credit losses (ECL)*

The Group's other receivables that are impaired at the end of the reporting period and the movement in allowance for expected credit losses of other receivables computed based on lifetime ECL are as follows:

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2020</b>  | <b>2019</b> |
|   | \$'000       | \$'000      |
| Other receivables – nominal amounts             | 2,979        | 3,083       |
| Less: Allowance for doubtful receivables        | (2,979)      | (2,813)     |
|   | –            | 270         |
|   | –            | 270         |
| Movement in allowance accounts:                 |              |             |
| Balance as at 1 January                         | 2,813        | 2,849       |
| Charge to the statement of comprehensive income | 221          | –           |
| Currency realignment                            | (55)         | (36)        |
|   | 2,979        | 2,813       |
| Balance as at 31 December                       | 2,979        | 2,813       |

Trade and other receivables denominated in foreign currency other than functional currencies of the Group companies as at 31 December are as follows:

|                       | <b>Group</b> |             | <b>Company</b> |             |
|-----------------------|--------------|-------------|----------------|-------------|
|                       | <b>2020</b>  | <b>2019</b> | <b>2020</b>    | <b>2019</b> |
|                       | \$'000       | \$'000      | \$'000         | \$'000      |
| United States dollars | 19           | 307         | –              | 270         |
|                       | 19           | 307         | –              | 270         |

### 14. Amounts due from/(to) related companies

Amounts due from/(to) related companies are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 15. Cash and bank balances

|                                | Group  |        | Company |        |
|--------------------------------|--------|--------|---------|--------|
|                                | 2020   | 2019   | 2020    | 2019   |
|                                | \$'000 | \$'000 | \$'000  | \$'000 |
| Fixed deposits                 | 2,541  | 34,811 | 2,541   | 34,811 |
| Cash at bank and on hand       | 47,831 | 13,318 | 24,430  | 1,388  |
|                                | 50,372 | 48,129 | 26,971  | 36,199 |
| Less: Restricted bank deposits | (335)  | (230)  | –       | –      |
| Cash and cash equivalents      | 50,037 | 47,899 | 26,971  | 36,199 |

Fixed deposits of the Group and the Company at the end of the reporting period have an average tenure of 3 months (2019: 3 months) and 3 months (2019: 3 months) respectively. The effective interest rates of fixed deposits of the Group and the Company are 1.4% (2019: 1.5%) and 1.4% (2019: 1.5%) per annum respectively.

Restricted bank deposits are held for Marina Development project only and therefore restricted from use in other operations.

Cash and cash equivalents denominated in foreign currency other than functional currencies of the Group companies as at 31 December are as follows:

|                       | Group  |        | Company |        |
|-----------------------|--------|--------|---------|--------|
|                       | 2020   | 2019   | 2020    | 2019   |
|                       | \$'000 | \$'000 | \$'000  | \$'000 |
| United States dollars | 699    | 499    | 511     | 492    |

### 16. Trade and other payables

|                            | Group  |        | Company |        |
|----------------------------|--------|--------|---------|--------|
|                            | 2020   | 2019   | 2020    | 2019   |
|                            | \$'000 | \$'000 | \$'000  | \$'000 |
| Trade payables             | 831    | 1,412  | –       | –      |
| Deposits                   | 2,078  | 2,178  | –       | –      |
| Accrued operating expenses | 4,218  | 2,556  | 340     | 355    |
| Accrued staff costs        | 986    | 1,135  | –       | –      |
| Deferred revenue           | 1,568  | 701    | –       | –      |
| Advanced subscription fees | 427    | 422    | –       | –      |
| Other payables             | 411    | 201    | –       | –      |
| Advances from customers    | 280    | 335    | –       | –      |
| Lease liabilities          | 70     | 120    | –       | –      |
| GST payable                | 274    | 308    | –       | –      |
|                            | 11,143 | 9,368  | 340     | 355    |

#### *Trade payables/other payables*

These amounts are non-interest bearing and are normally settled on 60 days' terms.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 17. Loan from a subsidiary

Loan from a subsidiary is non-trade in nature, unsecured, non-interest bearing, repayable on demand and is to be settled in cash.

### 18. Bank borrowing

|                        | Group  |        |
|------------------------|--------|--------|
|                        | 2020   | 2019   |
|                        | \$'000 | \$'000 |
| <b>Bank borrowing:</b> |        |        |
| - Non-current          | 1,360  | –      |
| - Current              | 119    | –      |
|                        | 1,479  | –      |

In 2020, bank borrowing relates to term loan which bears interest at 1.7% per annum and is repayable over the period of 48 months. This bank loan is secured by the corporate guarantees corporate guarantees by the Company and ultimate holding company.

|                | Balance as<br>at 1<br>January<br>2020<br>\$'000 | Proceeds<br>\$'000 | Balance as<br>at 31<br>December<br>2020<br>\$'000 |
|----------------|---|--------------------|---|
| Bank borrowing | –   | 1,479              | 1,479   |

### 19. Deferred membership income

|   | Group   |         |
|---|---------|---------|
|   | 2020    | 2019    |
|   | \$'000  | \$'000  |
| <b>Deferred membership income:</b>              |         |         |
| - Non-current                                   | 48,070  | 52,070  |
| - Current                                       | 3,597   | 3,774   |
|   | 51,667  | 55,844  |
| Balance as at 1 January                         | 55,844  | 60,115  |
| Credit to the statement of comprehensive income | (4,177) | (4,271) |
| Balance as at 31 December                       | 51,667  | 55,844  |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 20. Loan from a non-controlling interest

Loan from a non-controlling interest is non-trade in nature, unsecured, bears interest at 5.5% (2019: 5.5%) per annum and not due for repayment within 12 months from the balance sheet date.

### 21. Deferred tax liabilities

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2020</b>  | <b>2019</b> |
|  | \$'000       | \$'000      |
| <b><i>Deferred tax liabilities:</i></b>                  |              |             |
| Balance as at 1 January                                  | (1,296)      | (1,019)     |
| Charge to the statement of comprehensive income (Note 8) | (309)        | (277)       |
| Balance as at 31 December                                | (1,605)      | (1,296)     |

Deferred tax as at 31 December relates to the following:

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2020</b>  | <b>2019</b> |
|   | \$'000       | \$'000      |
| <b><i>Deferred tax assets:</i></b>      |              |             |
| Deferred membership income              | 8,627        | 9,423       |
| Others                                  | 36           | 3           |
|   | 8,663        | 9,426       |
| <b><i>Deferred tax liabilities:</i></b> |              |             |
| Property, plant and equipment           | (10,268)     | (10,722)    |
| Deferred tax liabilities, net           | (1,605)      | (1,296)     |

### 22. Share capital

|  | <b>Group</b>             |        |                          |        |
|--|--------------------------|--------|--------------------------|--------|
|  | <b>2020</b>              |        | <b>2019</b>              |        |
|  | No. of<br>shares<br>'000 | \$'000 | No. of<br>shares<br>'000 | \$'000 |
| <b>Issued and fully paid ordinary shares</b> |                          |        |                          |        |
| Balance as at 1 January and<br>31 December   | 86,461                   | 46,780 | 86,461                   | 46,780 |

|  | <b>Company</b>           |        |                          |        |
|--|--------------------------|--------|--------------------------|--------|
|  | <b>2020</b>              |        | <b>2019</b>              |        |
|  | No. of<br>shares<br>'000 | \$'000 | No. of<br>shares<br>'000 | \$'000 |
| <b>Issued and fully paid ordinary shares</b> |                          |        |                          |        |
| Balance as at 1 January and<br>31 December   | 86,461                   | 40,810 | 86,461                   | 40,810 |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 22. Share capital (cont'd)

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

### 23. Treasury shares

|                                    | Group and Company |        |               |        |
|------------------------------------|-------------------|--------|---------------|--------|
|                                    | 2020              |        | 2019          |        |
|                                    | No. of shares     | \$'000 | No. of shares | \$'000 |
| Balance as at 1 January            | –                 | –      | –             | –      |
| Acquired during the financial year | 900,400           | (431)  | –             | –      |
| Balance at 31 December             | 900,400           | (431)  | –             | –      |

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 900,400 (2019: Nil) shares of the Company by way of market acquisitions on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was \$431,000 (2019: \$Nil) and this was presented as a component within shareholders' equity.

### 24. Other reserves

|                                      | Group  |        | Company |        |
|--------------------------------------|--------|--------|---------|--------|
|                                      | 2020   | 2019   | 2020    | 2019   |
|                                      | \$'000 | \$'000 | \$'000  | \$'000 |
| Foreign currency translation reserve | 13     | 14     | –       | –      |
| Share-based payments reserve         | 183    | 59     | 183     | 59     |
| Capital reserve                      | 140    | 140    | –       | –      |
|                                      | 336    | 213    | 183     | 59     |

#### (a) *Foreign currency translation reserve*

Foreign currency translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

#### (b) *Share-based payments reserve*

Share-based payment reserve represents the equity-settled share options granted to directors and employees (Note 6). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry of the share options to retained earnings.

#### (c) *Capital reserve*

Capital reserve represents the contribution of assets from a non-controlling interest.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 25. Dividends on ordinary shares

| Group and Company |        |
|-------------------|--------|
| 2020              | 2019   |
| \$'000            | \$'000 |

**Declared and paid during the financial year:**

*Dividends on ordinary shares:*

Final exempt (one-tier) dividend for 2019: \$0.02  
(2018: \$0.02) per share

|       |       |
|-------|-------|
| 1,729 | 1,729 |
|-------|-------|

**Proposed but not recognised as a liability as at 31 December:**

*Dividends on ordinary shares, subject to shareholders' approval at the AGM:*

Final exempt (one-tier) dividend for 2020: \$0.02  
(2019: \$0.02) per share  
(Based on 85,560,202 shares (2019: 86,460,602 shares))

|       |       |
|-------|-------|
| 1,711 | 1,729 |
|-------|-------|

### 26. Related party transactions

#### (a) Sale and purchases of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

|  | Group  |        |
|--|--------|--------|
|  | 2020   | 2019   |
|  | \$'000 | \$'000 |
| Sale of goods and services to directors and director-related companies | 289    | 479    |
| Purchase of goods and services from director-related companies         | (67)   | (341)  |
| Management fee income from director-related company                    | 110    | –      |
| Payment on behalf by director-related companies                        | 413    | 144    |
| Payment on behalf for director-related company                         | (202)  | (8)    |

#### (b) Compensation of key management personnel

|   | Group  |        |
|---|--------|--------|
|   | 2020   | 2019   |
|   | \$'000 | \$'000 |
| Short-term employee benefits                          | 1,126  | 992    |
| Directors' fee  | 253    | 303    |
| Employer's contribution to defined contribution plans | 71     | 57     |
|   | 1,450  | 1,352  |

*Comprise amounts paid to:*

Directors of the Company  
Other key management personnel

|       |       |
|-------|-------|
| 598   | 551   |
| 852   | 801   |
| 1,450 | 1,352 |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 27. Commitments and contingencies

#### (a) *Service commitments*

The Group has entered into commercial contracts for the provision of services. These contracts have an average tenure of between one and five years with renewal options included in the contracts. There are no restrictions placed upon the Group by entering into these commercial contracts. Minimum payments recognised as an expense in the statement of comprehensive income for the financial year ended 31 December 2020 amounted to \$1,282,000 (2019: \$1,530,000).

Future minimum payments payable under non-cancellable commercial contracts at the end of reporting period are as follows:

|   | <b>Group</b>          |                       |
|---|-----------------------|-----------------------|
|   | <b>2020</b><br>\$'000 | <b>2019</b><br>\$'000 |
| Not later than one year                           | 805                   | 885                   |
| Later than one year but not later than five years | 648                   | 210                   |
|   | 1,453                 | 1,095                 |

#### (b) *Contingent liabilities*

|   | <b>Company</b>        |                       |
|---|-----------------------|-----------------------|
|   | <b>2020</b><br>\$'000 | <b>2019</b><br>\$'000 |
| Corporate guarantee given to a bank for credit facilities granted to a subsidiary | 1,479                 | –                     |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 28. Segment information

The Group's primary format for reporting segment information is business segments, with each segment representing a strategic business segment that offers different products/services.

#### (a) *Business segments*

The Group is principally engaged in the business of marina operations. The assets, liabilities and capital expenditure of the Group are employed in this sole business segment.

#### (b) *Geographical segments*

Segment revenue is based on the location of customers. Segment non-current assets and capital expenditure are based on the location of those assets.

|                        | Singapore      |                | Malaysia       |                | Total          |                |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                        | 2020<br>\$'000 | 2019<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 |
| Revenue                | 27,249         | 31,498         | 332            | 310            | 27,581         | 31,808         |
| Non-current<br>assets  | 70,137         | 72,303         | 7,483          | 5,828          | 77,620         | 78,131         |
| Capital<br>expenditure | 4,751          | 2,551          | 1,894          | 4,843          | 6,645          | 7,394          |

#### (c) *Information about major customers*

The Group does not have revenue concentration from major customers. Revenue is spread over a large number of customers.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 29. Financial instruments (cont'd)

#### (b) *Fair value of financial instruments*

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The Group and the Company do not have assets or liabilities that are measured at fair value on recurring or non-recurring basis in the balance sheet after initial recognition.

#### *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### ***Assets and liabilities classes that are not carried at fair value and whose carrying amounts approximate fair values***

Trade and other receivables (Note 13), amounts due from/(to) related companies (Note 14), cash and bank balances (Note 15), trade and other payables (Note 16) and loan from a subsidiary (Note 17)

The carrying amounts of financial assets and liabilities are reasonable approximations of fair values due to their short-term nature.

Bank borrowing (Note 18) and loan from a non-controlling interest (Note 20)

The carrying amounts of these financial liabilities are not materially difference from their fair values estimated by discounting the expected future cash flows based on current borrowing rates for similar type of borrowing arrangements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 30. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group has put in place internal mechanisms to monitor the granting of credit and management of credit exposures which ensure that the sales of products and services are made to creditworthy members and customers.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty has shown strong evidences of inability to make contractual payments, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 30. Financial risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant repayment difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the statement of comprehensive income.

#### *Exposure to credit risk*

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in balance sheets.

#### *Credit risk concentration*

The Group has no significant concentration of credit risk with any single member.

#### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company monitor their liquidity risks and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 30. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

| Group  | 2020<br>\$'000      |              |        | 2019<br>\$'000      |              |        |
|--|---------------------|--------------|--------|---------------------|--------------|--------|
|  | Less than<br>1 year | 1 to 5 years | Total  | Less than<br>1 year | 1 to 5 years | Total  |
| <b>Financial assets</b>  |                     |              |        |                     |              |        |
| Trade and other receivables  | 2,770               | –            | 2,770  | 3,544               | –            | 3,544  |
| Amounts due from related companies   | 56                  | –            | 56     | 102                 | –            | 102    |
| Cash and cash equivalents  | 50,372              | –            | 50,372 | 48,129              | –            | 48,129 |
| Total undiscounted financial assets  | 53,198              | –            | 53,198 | 51,775              | –            | 51,775 |
| <b>Financial liabilities</b>   |                     |              |        |                     |              |        |
| Trade and other payables<br>(excluding advance subscription fee, deferred revenue,<br>advances from customers and GST payable) | 8,594               | –            | 8,594  | 7,602               | –            | 7,602  |
| Amounts due to related companies   | 114                 | –            | 114    | 70                  | –            | 70     |
| Loan from a non-controlling interest   | –                   | 4,442        | 4,442  | –                   | 4,216        | 4,216  |
| Bank borrowing   | 128                 | 1,412        | 1,540  | –                   | –            | –      |
| Total undiscounted financial liabilities   | 8,836               | 5,854        | 14,690 | 7,672               | 4,216        | 11,888 |
| Total net undiscounted financial assets/(liabilities)  | 44,362              | (5,854)      | 38,508 | 44,103              | (4,216)      | 39,887 |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 30. Financial risk management objectives and policies (cont'd)

#### (b) Liquidity risk (cont'd)

| Company                                  | 2020<br>\$'000      |              |        | 2019<br>\$'000      |              |        |
|--|---------------------|--------------|--------|---------------------|--------------|--------|
|  | Less than<br>1 year | 1 to 5 years | Total  | Less than<br>1 year | 1 to 5 years | Total  |
| <b>Financial assets</b>                  |                     |              |        |                     |              |        |
| Trade and other receivables              | 1                   | –            | 1      | 346                 | –            | 346    |
| Amounts due from subsidiaries            | 100                 | –            | 100    | –                   | –            | –      |
| Cash and cash equivalents                | 26,971              | –            | 26,971 | 36,199              | –            | 36,199 |
| Total undiscounted financial assets      | 27,072              | –            | 27,072 | 36,545              | –            | 36,545 |
| <b>Financial liabilities</b>             |                     |              |        |                     |              |        |
| Accrued operating expenses               | 340                 | –            | 340    | 355                 | –            | 355    |
| Amount due to a related company          | –                   | –            | –      | 3                   | –            | 3      |
| Loan from a subsidiary                   | 14,390              | –            | 14,390 | 6,460               | –            | 6,460  |
| Total undiscounted financial liabilities | 14,730              | –            | 14,730 | 6,818               | –            | 6,818  |
| Total net undiscounted financial assets  | 12,342              | –            | 12,342 | 29,727              | –            | 29,727 |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

### 30. Financial risk management objectives and policies (cont'd)

#### (c) Foreign currency risk

The Group and the Company also has trade and other receivables and cash and bank balances denominated in currency other than the respective functional currencies of Group entities, primarily United States Dollar ("USD").

#### *Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

|  | <b>Group</b>                  |             |
|--|-------------------------------|-------------|
|  | <b>Increase/(decrease)</b>    |             |
|  | <b>Profit before taxation</b> |             |
|  | <b>2020</b>                   | <b>2019</b> |
|  | \$'000                        | \$'000      |
| USD/SGD - strengthened 10% (2019: 10%) | 72                            | 81          |
| - weakened 10% (2019:10%)              | (72)                          | (81)        |

### 31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains sufficient cash in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019.

The Group monitors capital using a gearing ratio, which is net debt divided by the sum of capital and net debt. Net debt includes trade and other payables, amounts due to related companies, bank borrowing less cash and bank balances. Capital refers to equity attributable to owners of the Company.

As at 31 December 2020 and 31 December 2019, the Group is in a net cash position.

### 32. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 31 March 2021.

## STATISTICS OF SHAREHOLDINGS

As at 24 March 2021

|  |                               |
|--|-------------------------------|
| Class of shares  | : Ordinary shares             |
| Voting rights  | : One vote per ordinary share |
| Number of treasury shares  | : 900,400 (1.04%)             |
| Number of subsidiary holdings<br>(as defined in the SGX-ST Listing Manual) | : Nil (0%)                    |

### Distribution of Shareholdings

| <u>Size of Shareholdings</u> | <u>No. of Shareholders</u> | <u>%</u>      | <u>No. of Shares</u> | <u>%</u>      |
|------------------------------|----------------------------|---------------|----------------------|---------------|
| 1 - 99                       | 11                         | 0.40          | 481                  | 0.00          |
| 100 - 1,000                  | 1,184                      | 43.18         | 561,726              | 0.66          |
| 1001 - 10,000                | 1,202                      | 43.84         | 5,303,080            | 6.20          |
| 10,001 - 1,000,000           | 337                        | 12.29         | 17,769,946           | 20.77         |
| 1,000,001 and above          | 8                          | 0.29          | 61,924,969           | 72.37         |
| <b>Total</b>                 | <b>2,742</b>               | <b>100.00</b> | <b>85,560,202</b>    | <b>100.00</b> |

### Twenty largest shareholders

| <u>No.</u> | <u>Name</u>                                     | <u>No. of Shares</u> | <u>%</u>     |
|------------|---|----------------------|--------------|
| 1          | SUTL GLOBAL PTE LTD                             | 47,389,942           | 55.39        |
| 2          | UOB KAY HIAN PRIVATE LIMITED                    | 4,073,090            | 4.76         |
| 3          | PHILLIP SECURITIES PTE LTD                      | 3,139,875            | 3.67         |
| 4          | DBS NOMINEES (PRIVATE) LIMITED                  | 2,103,141            | 2.46         |
| 5          | RAMESH S/O PRITAMDAS CHANDIRAMANI               | 1,450,400            | 1.70         |
| 6          | HONG LEONG FINANCE NOMINEES PTE LTD             | 1,337,300            | 1.56         |
| 7          | GOH GUAN SIONG (WU YUANXIANG)                   | 1,255,500            | 1.47         |
| 8          | OCBC SECURITIES PRIVATE LIMITED                 | 1,175,721            | 1.37         |
| 9          | OCBC NOMINEES SINGAPORE PRIVATE LIMITED         | 837,000              | 0.98         |
| 10         | CITIBANK NOMINEES SINGAPORE PTE LTD             | 713,600              | 0.83         |
| 11         | RAFFLES NOMINEES (PTE.) LIMITED                 | 653,000              | 0.76         |
| 12         | MAYBANK KIM ENG SECURITIES PTE. LTD.            | 649,300              | 0.76         |
| 13         | TAN WEY LING                                    | 572,100              | 0.67         |
| 14         | CHAI CHEE KENG                                  | 555,000              | 0.65         |
| 15         | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 510,100              | 0.60         |
| 16         | LO JU JIE                                       | 458,981              | 0.54         |
| 17         | YU MAN-LI                                       | 418,000              | 0.49         |
| 18         | YEO WEI HUANG                                   | 325,000              | 0.38         |
| 19         | KGI SECURITIES (SINGAPORE) PTE. LTD.            | 320,000              | 0.37         |
| 20         | HO CHOON KENG                                   | 300,000              | 0.35         |
|            | <b>Total</b>                                    | <b>68,237,050</b>    | <b>79.76</b> |

## STATISTICS OF SHAREHOLDINGS

As at 24 March 2021

### Substantial Shareholders

| No | Name                                | Beneficial interest<br>No. of shares | %      | Deemed interest No.<br>of shares | %      |
|----|-------------------------------------|--------------------------------------|--------|----------------------------------|--------|
| 1. | SUTL Global Pte. Ltd.               | 47,389,942                           | 55.39% | —                                | —      |
| 2. | Tay Teng Guan Arthur <sup>(a)</sup> | 0                                    | 0      | 47,389,942                       | 55.39% |

(a) The deemed interest of Tay Teng Guan Arthur arises by virtue of his direct interest of approximately 51% in the issued and paid up capital of SUTL Global Pte. Ltd.

### Percentage of Shareholding in Public Hands

44.61% of the total number of issued ordinary shares capital of the Company is held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

# NOTICE OF ANNUAL GENERAL MEETING

(Company No: 199307251M)

(Incorporated in the Republic of Singapore)

Notice is hereby given that the Twenty-Seventh Annual General Meeting of SUTL Enterprise Limited will be held by electronic means on 28 April 2021 at 3:00 p.m. for the following business:

## Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 and the Auditors' Report thereon.  

**(Resolution 1)**
2. To declare a first and final 1-tier tax exempt dividend at 2 cents per ordinary share for the year ended 31 December 2020.  

**(Resolution 2)**
3. To approve the payment of Directors' Fees of S\$253,409 for the year ended 31 December 2020.  

**(Resolution 3)**
4. To re-elect Mr. Lew Syn Pau as Director retiring under Article 104 of the Articles of Association of the Company.  

**(Resolution 4)**
5. To re-elect Mr. Tay Teng Guan, Arthur as Director retiring under Article 104 of the Articles of Association of the Company.  

**(Resolution 5)**
6. To appoint Messrs RSM Chio Lim LLP as the Auditors of the Company, in place of Messrs Ernst & Young LLP, the retiring Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.  

**(Resolution 6)**

## Special Business

7. To consider and, if thought fit, to pass the following Resolutions with or without any modification as Ordinary Resolutions:
  - (a) "That pursuant to and subject to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company ("Directors") to issue shares in the capital of the Company and convertible securities that might or would require new shares in the capital of the Company to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares (whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority which would or might require shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit (notwithstanding that such issue of shares pursuant to the offer, agreement or option or the conversion of the convertible securities may occur after the expiration of the authority contained in this Resolution), provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued shares of the Company excluding any treasury shares and subsidiary holdings ("Issued Shares"), and provided further that where shareholders of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per cent. (20%) of the Issued Shares, and for the purpose of this Resolution, the percentage of Issued Shares shall be based on the Company's issued share capital at the time this Resolution is passed (after adjusting for (a) new shares arising from the conversion or exercise of convertible securities; (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the

# NOTICE OF ANNUAL GENERAL MEETING

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Listing Manual of the SGX-ST; and (c) any subsequent bonus issue, consolidation or subdivision of shares, and provided that in respect of (a) and (b) above adjustments are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution), and unless revoked or varied by ordinary shareholders of the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.”

## (Resolution 7)

- (b) “That the Directors be and are hereby authorised to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of ordinary shares representing up to ten per cent. (10%) of the total number of issued ordinary shares in the capital of the Company (excluding any ordinary shares held as treasury shares or which comprise subsidiary holdings) as at the date of this Resolution, unless the Company has effected a reduction of the share capital of the Company in which event the number of issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any ordinary shares held as treasury shares or which comprise subsidiary holdings), at the price of up to but not exceeding the Maximum Price (as defined in the Company’s Addendum to Shareholders dated 6 April 2021 (being an addendum to this Notice of AGM) (the “Addendum”)), in accordance with the “Guidelines on Share Purchases” set out in Appendix B thereof on pages 57 to 60 of the Addendum, and this mandate shall commence from the date of passing of this Resolution and expire at the earliest of (a) the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is the earlier; (b) the date on which the purchases or acquisitions of shares pursuant to the Share Purchase Mandate are carried out to the full extent authorised under the Share Purchase Mandate; or (c) the effective date on which the authority conferred in the Share Purchase Mandate is varied (as to the duration of the Share Purchase Mandate) or revoked by the Shareholders in general meeting, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.”

## (Resolution 8)

- (c) “That:
- (i) the extension of the Share Option Scheme 2011 (the “Option Scheme”) for a period of ten (10) years from (and including) 29 April 2021 up to (and including) 28 April 2031 be and is hereby approved;
  - (ii) the rules of the Option Scheme, as set out in Appendix A of the Addendum, and which incorporates the alterations to the rules of the Option Scheme as described in the Addendum, be and are hereby approved and adopted in replacement of the existing rules of the Option Scheme, and shall, for the avoidance of doubt, also apply to the holders of Options granted but not yet vested as at the date of the passing of this Resolution, and in this Resolution, “Options” shall have the same meaning ascribed to it in the Addendum;
  - (iii) the Remuneration Committee of the Company be and is hereby authorised:
    - (A) to administer the Option Scheme;
    - (B) to offer and grant options in accordance with the provisions of the Option Scheme; and
    - (C) to modify and/or alter the Option Scheme from time to time, provided that such modifications and/or alterations are effected in accordance with the provisions of the amended Option Scheme, and to do all such acts and things (including entering into all such transactions, arrangements and agreements) as the Remuneration Committee of the Company may consider expedient, necessary or in the interests of the Company to give full effect to the Option Scheme and/or this Resolution; and

## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) the Directors be and are hereby authorised, pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of the options under the Option Scheme, provided always that the aggregate number of shares to be issued pursuant to the Option Scheme, when added to (a) the aggregate number of shares issued or issuable in respect of any other share based schemes of the Company (if any) and (b) the number of treasury shares delivered in respect of the options granted under all the other share-based incentive schemes of the Company (if any), shall not exceed fifteen per cent. (15%) of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, and unless revoked or varied by ordinary shareholders of the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.”

**(Resolution 9)**

- (d) “That, subject to and contingent upon the passing of Resolution 9, approval be and is hereby given for the offer and grant of Option(s) with exercise prices set at a discount to the Market Price in accordance with the rules of the Option Scheme, provided that such discount does not exceed the relevant limits set by SGX-ST, and in this Resolution, “Options” and “Market Price” shall have the same meanings ascribed to them in the Addendum.”

**(Resolution 10)**

- (e) “That, subject to and contingent upon the passing of Resolution 9, the participation of Mr. Tay Teng Guan, Arthur, the Chief Executive Officer, who is also an Executive Director and a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved, and in this Resolution, “Controlling Shareholder” shall have the same meaning ascribed to it in the Addendum.”

**(Resolution 11)**

- (f) “That, subject to and contingent upon the passing of Resolutions 9 and 11:
- (i) the proposed grant of Options to Mr. Tay Teng Guan, Arthur, the Chief Executive Officer, who is also an Executive Director and a Controlling Shareholder of the Company, pursuant to and in accordance with the rules of the Option Scheme, be and is hereby approved, and the Directors and each of them be and are hereby authorised to allot and issue from time to time Shares upon the exercise of such Options:
- (1) Date of Grant: Any time within one (1) month from the date of the Twenty-Seventh AGM;
  - (2) Number of Shares: 250,000 Shares (comprising approximately 0.29% of the total number of issued Shares and approximately 2.54% of the aggregate number of Shares available under the Option Scheme);
  - (3) Exercise Price per Share: Market Price (To give an indication, the Market Price of the Shares on the Latest Practicable Date is S\$0.53);
  - (4) Vesting Period: Fifty per cent. (50%) of the Shares comprised in the Options will vest on the first anniversary of the Date of Grant, and the balance of the Shares comprised in the Options will vest on the second anniversary of the Date of Grant; and

## NOTICE OF ANNUAL GENERAL MEETING

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- (5) Exercise Period: The Options in respect of: (i) Fifty per cent. (50%) of the Shares comprised in the Options will be exercisable after the first anniversary of the Date of Grant; and (ii) the balance of the Shares comprised in the Options will be exercisable after the second anniversary of the Date of Grant, provided always that the Options shall be exercised before the tenth (10<sup>th</sup>) anniversary of the Date of Grant; and
- (i) the Directors of the Company and each of them be and are hereby authorised and empowered to do all such acts and things (including executing all such documents as may be required as they or he may consider expedient or necessary or in the interests of the Company to give effect to this Resolution, and in this Resolution, “Controlling Shareholder”, “Shares”, “Options”, “Date of Grant”, “Exercise Price”, “Exercise Period”, “Twenty-Seventh AGM”, “Latest Practicable Date”, and “Market Price” shall have the same meanings ascribed to them in the Addendum.”

**(Resolution 12)**

- (g) “That, subject to and contingent upon the passing of Resolution 9, the participation of Mr. Tay Teng Hock, a Non-Executive Director and an Associate of a Controlling Shareholder of the Company, in the Option Scheme be and is hereby approved, and in this Resolution, “Associate” and “Controlling Shareholder” shall have the same meanings ascribed to them in the Addendum.”

**(Resolution 13)**

- (h) “That, subject to and contingent upon the passing of Resolutions 9 and 13:
  - (i) the proposed grant of Options to Mr. Tay Teng Hock, a Non-Executive Director and an Associate of a Controlling Shareholder of the Company, pursuant to and in accordance with the rules of the Option Scheme, be and is hereby approved, and the Directors and each of them be and are hereby authorised to allot and issue from time to time Shares upon the exercise of such Options:
    - (1) Date of Grant: Any time within one (1) month from the date of the Twenty-Seventh AGM;
    - (2) Number of Shares: 100,000 Shares (comprising approximately 0.12% of the total number of issued Shares and approximately 1.02% of the aggregate number of Shares available under the Option Scheme);
    - (3) Exercise Price per Share: Market Price (To give an indication, the Market Price of the Shares on the Latest Practicable Date is S\$0.53);
    - (4) Vesting Period: Fifty per cent. (50%) of the Shares comprised in the Options will vest on the first anniversary of the Date of Grant, and the balance of the Shares comprised in the Options will vest on the second anniversary of the Date of Grant; and
    - (5) Exercise Period: The Options in respect of: (i) Fifty per cent. (50%) of the Shares comprised in the Options will be exercisable after the first anniversary of the Date of Grant; and (ii) the balance of the Shares comprised in the Options will be exercisable after the second anniversary of the Date of Grant, provided always that the Options shall be exercised before the fifth (5<sup>th</sup>) anniversary of the Date of Grant; and
  - (ii) the Directors of the Company and each of them be and are hereby authorised and empowered to do all such acts and things (including executing all such documents as may be required as they or he may consider expedient or necessary or in the interests of the Company to give effect to this Resolution, and in this Resolution, “Associate”, “Controlling Shareholder”, “Shares”, “Options”, “Date of Grant”, “Exercise Price”, “Exercise Period”, “Twenty-Seventh

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AGM", "Latest Practicable Date", and "Market Price" shall have the same meanings ascribed to them in the Addendum."

(Resolution 14)

8. Any other ordinary business, which may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Adrian Chan Pengee  
Company Secretary  
6 April 2021

## Notes:

1. The Twenty-Seventh Annual General Meeting of the Company ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). The Order sets out the alternative arrangements in respect of, inter alia, general meetings of companies, and due to the current COVID-19 situation and related safe distancing measures in Singapore, the Company will be adopting the alternative arrangements.
2. Printed copies of this Notice of AGM and the accompanying proxy form for the AGM will not be sent to members. Instead, this Notice of AGM and the accompanying proxy form for the AGM will be sent to members by electronic means via publication on SGXNET and the Company's website at <https://www.sutlenterprise.com>.
3. **A member will not be able to attend the AGM physically.** Instead, members may participate at the AGM by observing and/or listening to the AGM proceedings via "live" audio-and-visual webcast ("Live Webcast") via their mobile phones, tablets or computers or "live" audio-only stream ("Live Audio Stream") via telephone.

Members (including persons holding shares through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) who wish to participate at the AGM by observing and/or listening to the AGM proceedings through the Live Webcast (via their smart phones, tablets or laptops/computers) or the Live Audio Stream (via telephone) must register for an account online at <https://www.sutlenterprise.com/agm-registration/> (the "Registration Link") from 8 April 2021 at 3:00 p.m. till 25 April 2021 at 3:00 p.m. to enable the Company to verify the member's status. Following the verification, authenticated members will receive an email containing a unique link and a password to access the Live Webcast as well as a dial-in number, a webinar ID and a password to access the Live Audio Stream of the AGM proceedings, using the account created.

Persons holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will not be able to register at the Registration Link for the Live Webcast or Live Audio Stream. An Investor (other than a CPF/SRS investor) who wishes to participate at the AGM by observing and/or listening to the AGM proceedings via Live Webcast or Live Audio Stream, or who wishes to submit questions in advance of the AGM, should contact the relevant intermediary through which he/she holds such shares as soon as possible in order for the necessary arrangements to be made for his/her participation in the AGM. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company via email to [investor\\_relations@sutl.com.sg](mailto:investor_relations@sutl.com.sg) no later than 25 April 2021 at 3.00 p.m.

4. **A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. Instead, a member (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/its proxy to vote on his/its behalf at the AGM if such member wishes to exercise his/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company.** The instrument for the appointment of proxy ("proxy form") may be accessed at the Company's website at <https://www.sutlenterprise.com> or the SGXNET. Where a member (whether individual or corporate)
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# NOTICE OF ANNUAL GENERAL MEETING

(Company No: 199307251M)

(Incorporated in the Republic of Singapore)

appoints the Chairman as his/its proxy, he/it must give specific instructions in the relevant proxy form as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

5. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/its relevant intermediary as soon as possible to specify his/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 16 April 2021, being 7 working days before the date of the AGM to submit his/her voting instructions.
6. If the member is a corporation, the instrument appointing the Chairman as proxy must be under seal or the hand of an officer or attorney duly authorised.
7. **The proxy form must be submitted to the Company in the following manner:**
  - (i) if submitted by post, be deposited at the registered office of the Company at #05-00, 100J Pasir Panjang Road, SUTL House, Singapore 118525; or
  - (ii) if submitted through electronic means, be submitted via an email enclosing a signed PDF copy of the proxy form to the Company at [investor\\_relations@sutl.com.sg](mailto:investor_relations@sutl.com.sg),

in either case, by no later than 3:00 p.m. on 26 April 2021 (being at least forty-eight (48) hours before the time fixed for holding the AGM).

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

8. The Company shall be entitled to reject the instrument appointing the Chairman as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on this instrument appointing the Chairman as proxy. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument appointing the Chairman as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the meeting as certified by CDP to the Company.
9. **Members will not be able to raise any matters or questions "live" during the AGM. Instead, members (including CPF/SRS investors) may submit matters and questions relating to the business of the AGM by 3:00 p.m. on 25 April 2021, being 72 hours prior to the AGM:**
  - (i) via the Registration Link from 8 April 2021 at 3:00 p.m.;
  - (ii) by email to [investor\\_relations@sutl.com.sg](mailto:investor_relations@sutl.com.sg); or
  - (iii) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623.

**In view of the current COVID-19 situation, members are strongly encouraged to submit their questions via the Registration Link or by email.** The Company will answer substantial and relevant questions received in the manner set out above prior to, or at the AGM.

10. All documents (including the Company's annual report for the financial year ended 31 December 2020, Addendum, proxy form and this Notice of AGM) or information relating to the business of this AGM have been, or will be, published on SGXNET and the Company's website at <https://www.sutlenterprise.com>. Printed copies of the documents will not be despatched to members. Members and Investors are advised to check SGXNET and/or the Company's website regularly for updates.
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# NOTICE OF ANNUAL GENERAL MEETING

(Company No: 199307251M)

(Incorporated in the Republic of Singapore)

## **Explanatory Notes:**

### **Resolution 3**

Resolution 3 above is to seek approval for the payment of S\$253,409 as Directors' Fees to the Independent Directors as well as the other Directors on the board for the financial year ended 31 December 2020. The Directors' Fees for the financial year ended 31 December 2019 was S\$303,335 for the Independent Directors as well as the other Directors on the board.

### **Resolution 4**

Mr. Lew Syn Pau, the Chairman (Non-Executive) and Independent Director of the Company, if re-elected, will also remain as Chairman of the Audit Committee and Remuneration Committee and member of the Nominating Committee. Please refer to pages 14 and 42 of the Company's Annual Report for the financial year ended 31 December 2020 for more information.

With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST will provide that a Director will not be independent if he has been a Director for an aggregate period of more than nine years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the Chief Executive Officer of the Company, and their respective associates. If such approval by way of the "two-tier voting process" is not obtained prior to 1 January 2022, the relevant director (if he continues to hold office as of 1 January 2022) will not be regarded as independent as of 1 January 2022 and will be re-designated as a Non-Independent Non-Executive Director. For clarity, the Director will not be seeking the approval by way of the "two-tier voting process".

### **Resolution 5**

Mr. Tay Teng Guan, Arthur, Executive Director and Chief Executive Officer of the Company, if re-elected, will also remain as member of the Nominating Committee. Please refer to pages 14 and 43 of the Company's Annual Report for the financial year ended 31 December 2020 for more information.

### **Resolution 6**

Resolution 6 above, if passed, approves the appointment of Messrs RSM Chio Lim LLP as the Auditors of the Company in place of the retiring Auditors, and authorises the Directors to fix their remuneration. Please refer to the Addendum for further details.

### **Resolution 7**

Resolution 7 above, if passed, empowers the Directors, from the date of the above Meeting until the next Annual General Meeting, to allot and issue shares and convertible securities of the Company, without seeking any further approval from Shareholders in general meeting but within the limitation imposed by the Resolution.

### **Resolution 8**

Resolution 8 above, if passed, empowers the Directors of the Company to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to ten per cent. (10%) of the total number of issued ordinary shares in the capital of the Company (excluding any ordinary shares held as treasury shares or which comprise subsidiary holdings) as at the date of the Resolution, unless the Company has effected a reduction of the share capital of the Company in which event the issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any ordinary shares held as treasury shares or which comprise subsidiary holdings), at a price up to but not exceeding the Maximum Price (as defined in the Addendum) (the "Share Purchase Mandate").

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# NOTICE OF ANNUAL GENERAL MEETING

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Please refer to the Addendum for the rationale for the Share Purchase Mandate, the source of funds to be used for the Share Purchase Mandate (including the amount of financing), the impact of the Share Purchase Mandate on the Company's financial position, the implications arising as a result of the Share Purchase Mandate under the Singapore Code on Take-overs and Mergers and on the listing of the Company's Shares on the SGX-ST, the number of Shares purchased by the Company in the previous twelve (12) months, as well as whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

## Resolution 9

Resolution 9 above, if passed, will approve the extension of the Option Scheme and the alteration of the rules of the Option Scheme. The Option Scheme is a share incentive scheme which was adopted for an initial duration of up to ten (10) years commencing on 29 April 2011 and will expire on 28 April 2021. Accordingly, the Shareholders' approval is being sought for an extension of the duration of the Option Scheme for a further duration of **ten (10) years from (and including) 29 April 2021, up to (and including) 28 April 2031**. Since the commencement of the Option Scheme in 2011, the Company's name has been changed from "Achieva Limited" to "SUTL Enterprise Limited" as approved by Shareholders at the extraordinary general meeting held on 5 June 2015, and amendments have also been made to the Listing Manual of the SGX-ST, Companies Act (Chapter 50) and Securities and Futures Act (Chapter 289). Accordingly, certain alterations are proposed to be made to the existing rules of the Option Scheme to: (1) update the name of the Option Scheme in light of the change of Company name from "Achieva Limited" to "SUTL Enterprise Limited"; (2) comply with the relevant amendments to the Listing Manual of the SGX-ST, Companies Act and Securities and Futures Act (Chapter 289); and (3) make editorial changes to the language used in the Option Scheme. Please refer to the Addendum for further details.

Further, Resolution 9 above, if passed, empowers the Directors to issue shares in connection with the Option Scheme. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier. This authority is in addition to the general authority to issue shares sought under Resolution 7.

Please refer to the section titled "Abstention from Voting" below for details on the Shareholders who are required to abstain from voting on this Resolution 9.

## Resolution 10

Resolution 10, if passed, will approve the offer and grant of Option(s) with exercise prices set at a discount to the Market Price (as defined in the Addendum) in accordance with the rules of the Option Scheme, provided that such discount does not exceed the relevant limits set by SGX-ST. Please refer to the Addendum for further details.

Shareholders should note that the passing of this Resolution 10 is conditional on the passing of Resolution 9. This means that if Resolution 9 is not approved by Shareholders, this Resolution 10 would not be passed.

Please refer to the section titled "Abstention from Voting" below for details on the Shareholders who are required to abstain from voting on this Resolution 10.

## Resolution 11

Resolution 11, if passed, will approve the participation of Mr. Tay Teng Guan, Arthur, the Chief Executive Officer, who is also an Executive Director and a Controlling Shareholder of the Company, in the Option Scheme. Please refer to the Addendum for further details.

Shareholders should note that the passing of this Resolution 11 is conditional on the passing of Resolution 9. This means that if Resolution 9 is not approved by Shareholders, this Resolution 11 would not be passed.

Please refer to the section titled "Abstention from Voting" below for details on the Shareholders who are required to abstain from voting on this Resolution 11.

## Resolution 12

# NOTICE OF ANNUAL GENERAL MEETING

(Company No: 199307251M)

(Incorporated in the Republic of Singapore)

Resolution 12, if passed, will approve the grant of Options to Mr. Tay Teng Guan, Arthur, the Chief Executive Officer, who is also an Executive Director and a Controlling Shareholder of the Company, on the terms and subject to the conditions set out in the Resolution and the Addendum.

Please refer to the Addendum for the rationale for the grant of Options to Mr. Tay Teng Guan, Arthur.

Shareholders should note that the passing of this Resolution 12 is conditional on the passing of Resolutions 9 and 11. This means that if Resolutions 9 and 11 are not approved by Shareholders, this Resolution 12 would not be passed.

Please refer to the section titled “Abstention from Voting” below for details on the Shareholders who are required to abstain from voting on this Resolution 12.

## **Resolution 13**

Resolution 13, if passed, will approve the participation of Mr. Tay Teng Hock, a Non-Executive Director and an Associate of a Controlling Shareholder of the Company, in the Option Scheme. Please refer to the Addendum for further details.

Shareholders should note that the passing of this Resolution 13 is conditional on the passing of Resolution 9. This means that if Resolution 9 is not approved by Shareholders, this Resolution 13 would not be passed.

Please refer to the section titled “Abstention from Voting” below for details on the Shareholders who are required to abstain from voting on this Resolution 13.

## **Resolution 14**

Resolution 14, if passed, will approve the grant of Options to Mr. Tay Teng Hock, a Non-Executive Director and an Associate of a Controlling Shareholder of the Company, on the terms and subject to the conditions set out in the Resolution and the Addendum.

Please refer to the Addendum for the rationale for the grant of Options to Mr. Tay Teng Hock. The rationale includes that as a Non-Executive Director, although Mr. Tay Teng Hock is not involved in the day-to-day running of the Group, he shares his experience and insights and advises on the business of the Group. Also, the Remuneration Committee had also considered the number of Shares comprised in the Options which are proposed to be granted to Mr. Tay Teng Hock in light of the Options to be granted to the other Directors, and was satisfied that the number of Shares comprised in the Options which are proposed to be granted to Mr. Tay Teng Hock is in line with the number of Shares comprised in the Options to be granted to the other Non-Executive Director and is appropriate in light of the respective contributions of the Directors.

Shareholders should note that the passing of this Resolution 14 is conditional on the passing of Resolutions 9 and 13. This means that if Resolutions 9 and 13 are not approved by Shareholders, this Resolution 14 would not be passed.

Please refer to the section titled “Abstention from Voting” below for details on the Shareholders who are required to abstain from voting on this Resolution 14.

## **Abstention from Voting**

Shareholders who are eligible to participate in the Option Scheme shall abstain from voting at the Twenty-Seventh AGM in respect of Resolutions 9, 10, 11, 12, 13 and 14. Save for the Chairman, they shall also decline to accept appointment as proxy for Shareholders to vote on Resolutions 9, 10, 11, 12, 13 and 14. For the Twenty-Seventh AGM, the Chairman will accept appointment as proxy for Shareholders to vote in respect of Resolutions 9, 10, 11, 12, 13 and 14, provided that the Shareholder concerned has given specific instructions in the relevant proxy form as to voting, or abstentions from voting, in respect of such Resolutions.

The Controlling Shareholder, Mr. Tay Teng Guan, Arthur, and his Associate, Mr. Tay Teng Hock, who are proposed to receive Options under the Option Scheme, and their associates (including SUTL Global Pte. Ltd.),

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# NOTICE OF ANNUAL GENERAL MEETING

(Company No: 199307251M)

(Incorporated in the Republic of Singapore)

will abstain from voting at the Twenty-Seventh AGM in respect of Resolutions 9, 10, 11, 12, 13 and 14.

The Directors are all eligible to participate in, and are therefore interested in the Option Scheme. As such, the Directors shall also abstain from voting at the Twenty-Seventh AGM in respect of Resolutions 9, 10, 11, 12, 13 and 14.

The Company will disregard any votes cast by the abovementioned Shareholders and Directors in respect of Resolutions 9, 10, 11, 12, 13 and 14.

Please refer to the Addendum for more details.

## **Personal data privacy:**

By (a) submitting the proxy form appointing the Chairman to vote at the Annual General Meeting and/or any adjournment thereof, (b) submitting details for the registration to observe the proceedings of the AGM via Live Webcast or Live Audio Stream, or (c) submitting any matter or question prior to the AGM in accordance with this Notice of AGM, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes: (1) processing, administration and analysis by the Company (or its agents or service providers) of proxies and corporate representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); (2) processing of the registration for the purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the Live Webcast or Live Audio Stream to observe the proceedings of the AGM of the Company and providing them with any technical assistance where necessary; (3) addressing substantial and relevant questions from members received before the AGM of the Company and, if necessary, following up with the relevant members in relation to such questions; and (4) in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

In the case of a member who is a relevant intermediary, by submitting the consolidated list of participants set out in Note 3 of this Notice of AGM, such member represents and warrants that it has obtained the prior consent of the individuals for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the participation of such individuals in the broadcast and proceedings of the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and record of questions asked, and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Photographic, sound and/or video recordings of the AGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the AGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

**SUTL ENTERPRISE LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration Number:  
199307251M)

## PROXY FORM

Annual General Meeting

**IMPORTANT**

1. The AGM (as defined below) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this accompanying proxy form for the AGM will not be sent to members. Instead, the Notice of AGM and this accompanying proxy form for the AGM will be sent to members by electronic means via publication on SGXNET and the Company's website at <https://www.sutlenterprise.com>.
2. Alternative arrangements relating to attendance at the AGM by electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-visual webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman (as defined below) as proxy at the AGM, are set out in the Notice of AGM and the Company's accompanying announcement dated 6 April 2021, which has been published together with the Notice of AGM on the same day.
3. **Due to the current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, a member will not be able to attend the AGM physically. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. Instead, a member (whether individual or corporate) must appoint the Chairman of the AGM (as defined below) as his/its proxy to vote on his/its behalf at the AGM if such member wishes to exercise his/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company.**
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding Shares through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 16 April 2021, being 7 working days before the date of the AGM to submit his/her voting instructions.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman as a member's proxy to vote on his/its behalf at the AGM.**

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a \*Member / Members of SUTL Enterprise Limited (the "**Company**") hereby appoint the **Chairman of the Annual General Meeting ("Chairman")** as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Twenty-Seventh Annual General Meeting of the Company ("**AGM**") to be held by electronic means on 28 April 2021 at 3:00 p.m. and at any adjournment thereof in the following manner.

(Please indicate with an "**X**" in the spaces provided whether you wish your vote(s) to be cast for or against, or abstain from voting, in respect of all your shares for each Resolution as set out in the Notice of Annual General Meeting. Alternatively, you may indicate the number of shares that you wish to vote for or against, and/or abstain from voting, for each Resolution in the space provided. **In the absence of specific directions in respect of a Resolution, the appointment of the Chairman of the Annual General Meeting as your proxy for that Resolution will be treated as invalid.**)

| No. | Resolution  | For | Against | Abstain |
|-----|---|-----|---------|---------|
| 1   | Adoption of Directors' Statement and Audited Financial Statements and Auditors' Report        |     |         |         |
| 2   | To declare a final dividend at 2 cents per ordinary share for the year ended 31 December 2020 |     |         |         |
| 3   | Approval of Directors' fees   |     |         |         |
| 4   | Re-election of Director – Mr. Lew Syn Pau   |     |         |         |
| 5   | Re-election of Director – Mr. Tay Teng Guan, Arthur   |     |         |         |
| 6   | To appoint RSM Chio Lim LLP as Auditors in place of retiring Auditors, Ernst & Young LLP      |     |         |         |
| 7   | Authority to issue and allot shares pursuant to Section 161 of the Companies Act, Cap. 50     |     |         |         |

|    |  |  |  |  |
|----|--|--|--|--|
| 8  | Authority to purchase shares pursuant to the Share Purchase Mandate  |  |  |  |
| 9  | To approve the proposed alteration and extension of the Share Option Scheme 2011 (" <b>Option Scheme</b> ")  |  |  |  |
| 10 | To approve the proposed grant of options under the Option Scheme at a discount   |  |  |  |
| 11 | To approve the proposed participation of Mr Tay Teng Guan, Arthur, the Chief Executive Officer, who is also an Executive Director and a Controlling Shareholder of the Company, in the Option Scheme                                   |  |  |  |
| 12 | To approve the proposed grant of options under the Option Scheme in respect of 250,000 shares to Mr Tay Teng Guan, Arthur, the Chief Executive Officer, who is also an Executive Director and a Controlling Shareholder of the Company |  |  |  |
| 13 | To approve the proposed participation of Mr Tay Teng Hock, a Non-Executive Director and an Associate of a Controlling Shareholder of the Company, in the Option Scheme   |  |  |  |
| 14 | To approve the proposed grant of options under the Option Scheme in respect of 100,000 shares to Mr Tay Teng Hock, a Non-Executive Director and an Associate of a Controlling Shareholder of the Company                               |  |  |  |

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register           |               |
| (b) Register of Members    |               |

\_\_\_\_\_  
Signature(s) of member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

\* delete as appropriate.

**Notes:-**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument appointing the Chairman as proxy will be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, a member will not be able to attend the AGM physically. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. Instead, a member (whether individual or corporate) must appoint the Chairman as his/its proxy to vote on his/its behalf at the AGM if such member wishes to exercise his/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company. Where a member (whether individual or corporate) appoints the Chairman as his/its proxy, he/it must give specific instructions in the relevant proxy form as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. This proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 16 April 2021, being 7 working days before the date of the AGM to submit his/her voting instructions.
4. The proxy form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be deposited at the registered office of the Company at #05-00, 100J Pasir Panjang Road, SUTL House, Singapore 118525; or
  - (b) if submitted through electronic means, be submitted via an email enclosing a signed PDF copy of the proxy form to the Company at [investor\\_relations@sutl.com.sg](mailto:investor_relations@sutl.com.sg).

in either case, by no later than 3:00 p.m. on 26 April 2021 (being at least forty-eight (48) hours before the time fixed for holding the AGM).

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**
5. This instrument appointing the Chairman as proxy must be signed by the appointor or his/her duly authorised attorney. Where this instrument appointing the Chairman as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing the Chairman as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. Members should take note that after the deadline for the submission of proxy forms, the deadline being 3:00 p.m. on 26 April 2021 (being at least forty-eight (48) hours before the time fixed for holding the AGM), they cannot change their votes as indicated in the spaces provided above.

**General**

The Company shall be entitled to reject this instrument appointing the Chairman as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on this instrument appointing the Chairman as proxy. In addition, in the case of Members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument appointing the Chairman as proxy lodged if such Members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the meeting as certified by CDP to the Company.

**Personal data privacy**

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 April 2021.

# MANAGEMENT IN MARINA GLOBAL LEADER



## ONE°15 Marina network

ONE°15 Marina Sentosa Cove, Singapore | ONE°15 Marina Puteri Harbour, Malaysia | ONE°15 Marina Nirup Island, Indonesia |  
ONE°15 Marina Logan Cove Zhongshan, China | Indonesia Navy Club managed by ONE°15 Marina |  
Taihu International Marina managed by ONE°15 Marina



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Cover picture:  
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