



ANNUAL REPORT 2021





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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’s 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 55.12% stake in SUTL Enterprise.



MESSAGE TO SHAREHOLDERS



Richard Eu Yee Ming
Non-executive Chairman and
Independent director

Dear Shareholders

We wish to take this opportunity to express our deep gratitude to Mr Lew Syn Pau who has relinquished his role as the Non-executive Chairman and Independent Director for the past 21 years. He has done a stellar job ensuring that the Group was placed on a solid footing before passing on the baton. He has been succeeded by Mr Richard Eu Yee Ming with effect from 31 December 2021.

No doubt, 2021 had continued to see the devastating impact of the COVID-19 pandemic, despite the implementation of vaccination programmes. Subsequent waves of infections had swept across many countries, forcing the re-establishment of restrictions. The emergence of the more infectious Omicron variant only made things worse.

As a result, many businesses and industries continued to be impacted as economic activities stayed low. Tourism, in particular, did not experience a meaningful recovery, despite the inception of vaccinated travel lanes between certain countries. The marina industry was no different.

Nevertheless, SUTL Enterprise persevered and stepped up its efforts to promote staycations. The Group leveraged its unique set of offerings, comprising F&B, accommodation and yacht chartering services, which provided an avenue for both its marina club members and the public to meet pent up demand for leisure and relaxation.

During the year, we conducted a review of our network and of the markets where we had interests and concluded that it would be prudent to terminate the membership programme for ONE°15 Marina Puteri Harbour, Malaysia, and redeploy our resources elsewhere within our operations. We came to the difficult decision as membership sales for the marina and revenue from the Estuari Sports Club had been adversely affected by the COVID-19 restriction measures. We are in the process of terminating the ONE°15 Marina Puteri Harbour's membership programme.

Financial Review

For the financial year ended 31 December 2021, we achieved net attributable profit of S\$4.9 million, up 53% year-on-year ("y-o-y") from S\$3.2 million the year before. This came on the back of S\$31.9 million in total revenue, up 18% y-o-y.

The strong growth in top line was driven by higher sales of goods and services owing to an increase in F&B, yacht chartering, room and marina income. Total revenue was also enhanced by



Arthur Tay
Executive Director and
Chief Executive Officer

marginal improvements in membership related fees and management fees due. However, this was offset by lower other income, mainly because of a reduction of government grants and non-recurrence of an insurance claim in FY2021.

A final cash dividend of 2.0 Singapore cents per ordinary share has been proposed in FY2021, unchanged from FY2020. Including a special interim dividend of 10.0 Singapore cents per ordinary share paid in October 2021, the total dividend of 12.0 Singapore cents represents 210% of net attributable profit for FY2021. Altogether, the generous payout is reflective of the Board and management's confidence in steering the Group through these uncertain times.

Confident of long-term prospects

Moving forward, the outlook remains uncertain as the COVID-19 pandemic is not expected to fade away immediately. Moreover, geopolitical tensions and high crude oil prices may indirectly impact the Group in the short to medium term.

Nevertheless, the Group is confident of the long-term outlook of the marina industry. We are excited by a growing preference for leisure, sports activities and luxurious lifestyle experiences by individuals across the globe. The global luxury yacht market is expected to hit US\$11.8 billion by 2027, representing a compounded annual growth rate of 10.9% during 2022-2027, according to a reportⁱ by Research and Markets which also stated that Asian ownership of superyachts has been rising gradually and now stands at 6.7% of the operating fleet with China joining the ranks of top new-build buyers. This is expected to have positive impact on marina infrastructure development in the region, which bodes well for our Group as a developer and operator of integrated marinas.

To take advantage of the recovery and prospects ahead, the Group has taken some strategic positions. We expect to complete the first phase of the new ONE° 15 Marina Nirup Island, Indonesia by June 2022. The new marina, which is managed by ONE° 15, will have capacity for 70 berths, a clubhouse with amenities, an onsite Customs Immigration and Quarantine facility equipped with ferry services, and a Sea Sports Centre.

The marina is part of a project to convert the privately-owned Nirup Island, which is only eight nautical miles from Singapore, into a new yachting destination with integrated facilities and lifestyle activities. Expected to be fully completed by the end of 2023, the island will have luxury hotels and water villas operated by international chain Accor. It will feature a seafood centre and other attractions such as marine sports and spa facilities and retail shops.

In addition to our flagship ONE°15 Marina Sentosa Cove, Singapore and the upcoming ONE°15 Marina Nirup Island, Indonesia, we have three other marinas in our portfolio that are under various stages of completion. They are the Indonesia Navy Club managed by ONE°15, ONE°15 Marina Taihu Lake, China, and ONE°15 Marina Logan Cove, Zhongshan, China.

Appreciation

In closing, we would like to extend our warmest appreciation to our business partners and other stakeholders. Their confidence and trust in the Group are encouraging and an inspiration to us amid the challenging operating environment.

We are also grateful to the management and staff of the Group for their commitment and dedication in enabling the Group to deliver a stellar set of FY2021 results. In addition, we would like to convey our gratitude to our fellow Directors for their guidance and insight to steer us ahead. Finally, from the bottom of our hearts, we are immensely thankful to our shareholders for their unwavering support and belief in the Group.

Richard Eu Yee Ming

Non-executive Chairman and Independent Director

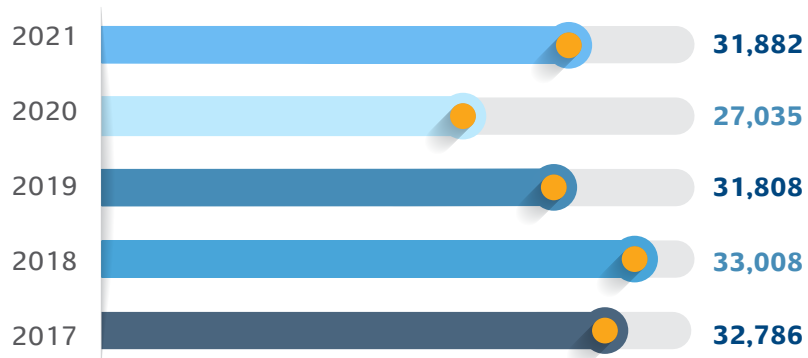
Arthur Tay

Executive Director and Chief Executive Officer

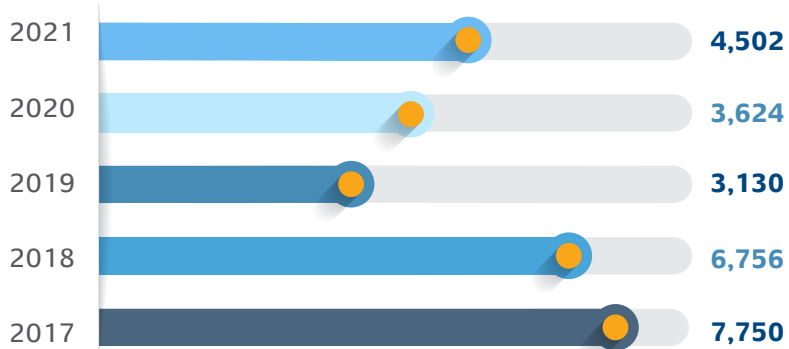


FINANCIAL HIGHLIGHTS

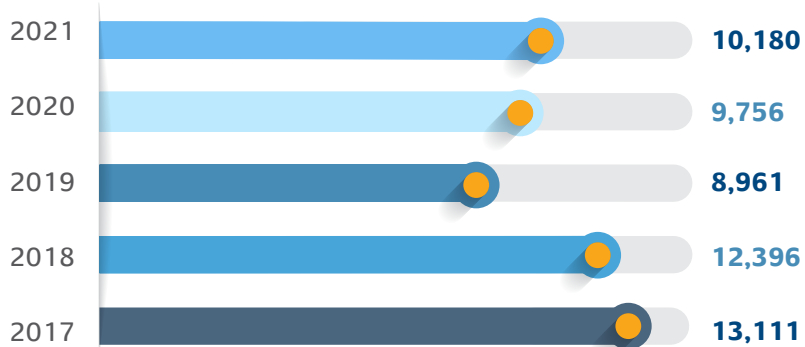
Total Revenue (\$'000)



Profit Before Tax (\$'000)



EBITDA (\$'000)





FINANCIAL REVIEW

Despite enduring a second year of the COVID-19 pandemic, SUTL had registered stronger top and bottom lines in FY2021. This was the result of the Group stepping up its efforts to promote domestic tourism through its F&B offerings, accommodation services and yacht chartering services to both its members and the public amid tight border restrictions during the year.

Income Statement

In FY2021, SUTL Enterprise delivered a 53% year-on-year surge in net attributable profit to S\$4.9 million. The Group's total revenue grew 18% to S\$31.9 million, compared to S\$27.0 million in FY2020. This was underpinned by higher Sales of Goods and Services, which rose 31% y-o-y to S\$20.4 million and marginal improvement in membership related fees and management fees, which rose 1% y-o-y to S\$11.5 million. The former was due to an increase in F&B, yacht chartering, room and marina income, while the latter was due to more transfer fee received for transferring of membership in FY2021. This, however, was offset by lower other income of S\$1.3 million, mainly due to reduction of government grants and non-recurrence of an insurance claim in FY2021.

Although SUTL Enterprise incurred higher total expenses of S\$28.7 million in FY2021, this did not hamper the Group's performance. Profit before tax was up 25% to S\$4.5 million in FY2021, from S\$3.6 million in FY2020.

Among the Group's higher expenses were salaries and other employee benefits, which rose S\$1.0 million to S\$10.9 million in FY2021 from S\$9.9 million in FY2020. The increase was mainly because some vacant positions were filled by locals at a higher cost, partial reinstatement of temporary pay cut and higher variable bonus. Cost of sales also increased S\$0.7 million to S\$3.2 million in FY2021 from S\$2.5 million in FY2020. The increase was due mainly to higher chartering and F&B sales. Furthermore, utilities expenses increased S\$0.1 million to S\$0.8 million in FY2021 from S\$0.7 million in FY2020. The increase was due mainly to higher utilities consumption in FY2021 arising from the opening of Estuary Sports Club, which is part of the operations of ONE°15 Marina Puteri Harbour Malaysia.

Meanwhile, the Group's property tax increased S\$0.6 million to S\$0.8 million in FY2021 from S\$0.2 million in FY2020. The increase was due to one-off property tax rebate granted to ONE°15 Marina Sentosa Cove in FY2020. Loan interest, bank and credit card charges also increased S\$0.1 million to S\$0.6 million in FY2021 from S\$0.5 million in FY2020. The increase was due mainly to increase in loan from non-controlling interests.

In contrast, the Group's advertising, publication and event expenses reduced S\$0.2 million to S\$0.5 million in FY2021 from S\$0.7 million in FY2020. The decrease was due to fewer marketing activities



at ONE°15 Marina Puteri Harbour Malaysia for membership sales and Estuari Sports Centre. Allowance for doubtful debts was significantly lower, falling S\$0.7 million to S\$2,000 in FY2021. The decrease was due to the recovery of debts in FY2021 that were provided for in FY2020.

In addition, the Group's other expenses increased S\$1.9 million to S\$4.4 million in FY2021 from S\$2.5 million in FY2020. The increase was due mainly to an impairment of ONE°15 Marina Puteri Harbour Malaysia's fixed assets, which was offset by decrease in loss in ONE°15 Marina Sentosa Cove's fixed assets written off in FY2020. Income tax expenses also increased S\$0.3 million to S\$1.5 million in FY2021 from S\$1.2 million in FY2020. The increase was due mainly to a higher taxable profit of ONE°15 Marina Sentosa Cove.

Financial Position

As at 31 December 2021, the Group's net assets attributable to shareholders were S\$54.4 million, including cash and cash equivalents of S\$46.7 million. This compares to net assets attributable to shareholders of S\$59.4 million, including cash and cash equivalents of S\$50.4 million, as at 31 December 2020.

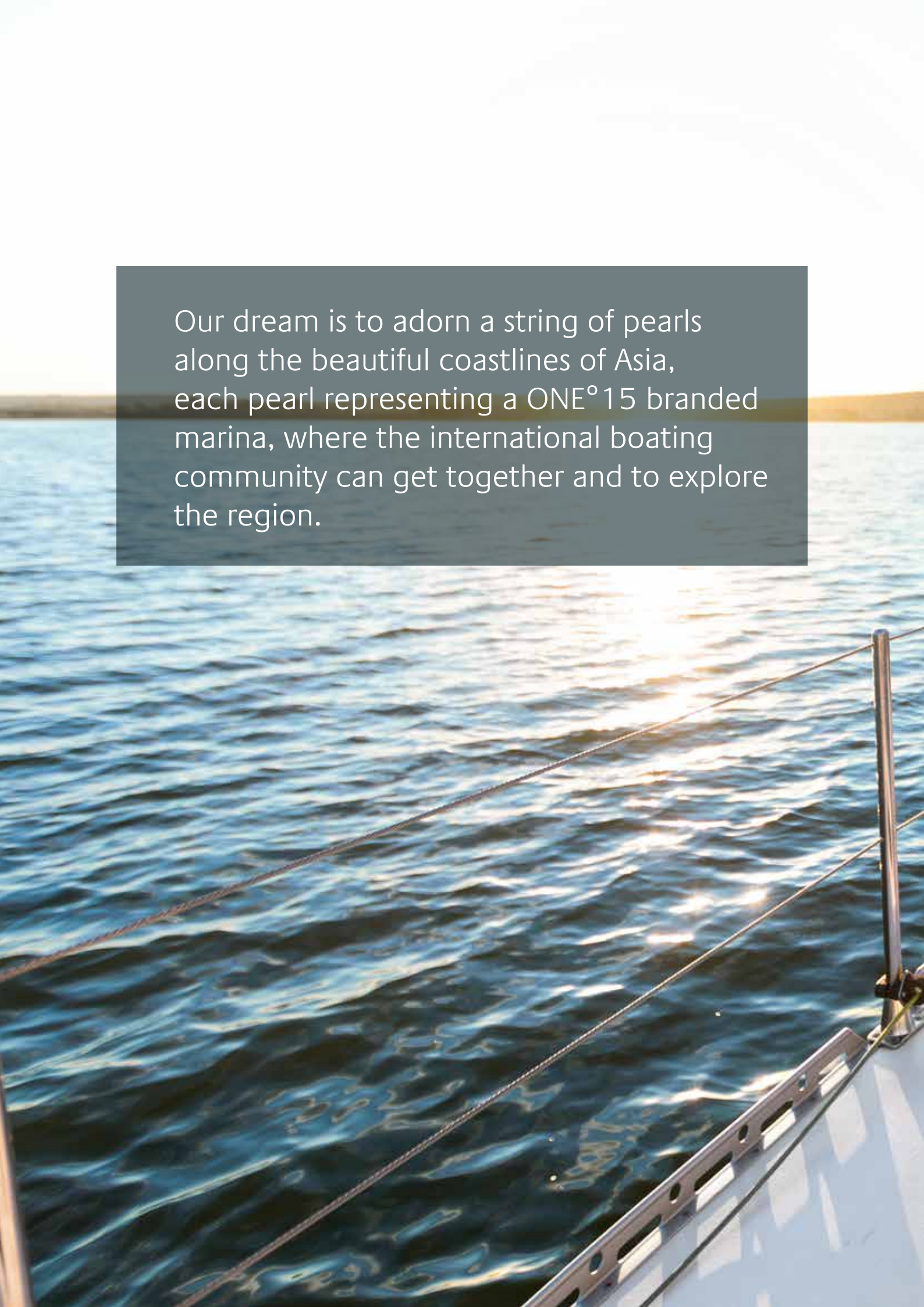
The decrease in the Group's net assets attributable to shareholders and decrease in the cash and cash equivalent were due to the payment of special dividend totalling to S\$8.6 million during the year.

On the other hand, the Group recorded lower total liabilities of S\$69.4 million as at 31 December 2021, down 5% from S\$72.8 million as at 31 December 2020. This was mainly due to lower trade and other payables of S\$9.7 million as at 31 December 2021, arising from payments to suppliers. In line with the strong financial performance in FY2021, the Group's basic earnings per share ("EPS") stood at 5.74 Singapore cents (3.69 Singapore cents in FY2020). Net asset value per share ("NAVPS") was 63.29 Singapore cents as at 31 December 2021 (69.46 Singapore cents as at 31 December 2020). The calculation for EPS was based on 85,681,735 and 86,374,017 weighted average number of ordinary shares in FY2021 and FY2020 respectively. On the other hand, the calculation for NAVPS was based on 85,975,902 and 85,560,202 shares of ordinary shares in issue as at 31 December 2021 and 31 December 2020 respectively.

Cash Flow

The Group's net cash generated from operations in FY2021 was S\$7.7 million as compared to S\$9.5 million in FY2020 mainly due to a decrease in trade and other payables. In FY2021, the Group used S\$1.9 million for investing activities mainly for purchase of property, plant and equipment.

The Company also paid dividend to shareholders totalling to S\$10.8 million in FY2021 including a special dividend of 10 Singapore cents per share in October 2021. This resulted in decrease in the Group cash from S\$50.3 million to S\$46.7 million.



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



Richard Eu Yee Ming

Non-executive Chairman and Independent Director

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

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

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

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

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



Arthur Tay

Executive Director and Chief Executive Officer

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

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

He holds an MBA in Real Estate and Finance.



Peter Tay Teng Hock

Non-Executive Director

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

Mr Tay is also a shareholder and Executive Director of SUTL Group of Companies. He has been with SUTL Group of Companies for more than 20 years and is responsible for building projects, building management, logistics and 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 Kum Tao was appointed a Non – Executive Director in January 2010 and was last re-elected in June 2020.

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

He is a Fellow of the Association of Chartered Certified 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 Joo Leng was appointed the Group General Manager of SUTL Group and SUTL Enterprise. He is responsible for driving and expanding all the businesses within the group across consumer goods, retail, lifestyle and marina hospitality industries.

Prior to this, Mr Teo served as the General Manager of ONE°15 Marina Sentosa Cove. Under his leadership, the marina attained the Best Asian Marina award over the three consecutive years during his tenure. Mr Teo is a fervent advocate of sustainability and has paved ways for coral restoration research by partnering Tropical Marine Science Institute, National University Singapore (TMSI, NUS) to build the very first coral garden in a Singapore private marina.

Darren Oh
General Manager

Mr Darren Oh was appointed as General Manager, Group Business Development. He is responsible for the expansion of ONE°15 Marina in Asia, Europe & Americas by providing management consultancy in major cities and tourist destinations. He develops and customises each marina operating model based on the marina developmental stage and locality of the marina industry to achieve the overall master plan objectives.

Prior to this, Mr Oh spent over 20 years 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 includes heading Singapore Tourism Board offices in Vietnam and Taiwan, and served as 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 a Master of Management in Hospitality from Cornell University.



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

Mr Jonathan Sit was appointed General Manager of ONE°15 Marina Sentosa Cove. He is responsible for strategic and operational activities in ONE°15 Marina Sentosa Cove. Under his leadership, he oversaw the completion of the marina upgrade and reconfiguration to cater for more superyachts. ONE°15 Marina Sentosa Cove also achieved the 'Marina World' International Marina of the Year award by the Marina Industries Association (MIA) in 2021.

Mr Sit joined the company as a Management Associate. He had successfully helmed various managerial positions across a number of revenue centres within the company for 8 years prior to his most recent appointment.



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

Mr Brian Werner was appointed General Manager of ONE°15 Marina Puteri Harbour, Malaysia. He is responsible for the day to day operations of the ONE°15 Estuari Sports Centre, the public marina as well as membership sales.

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, golf and country clubs as well as dining outlets, sports facilities, trade events, and marinas in Asia, Mexico, Central America and the United States. In addition, he also served as 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.

Tan Choon Kiat Jeffery
Group Financial Controller

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

Mr Tan was with KPMG LLP for several years before joining SUTL Group as an Accountant. He had held various managerial positions in the group for 7 years prior to current appointment in 2014.

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



(L-R): Mr Marvin Tan, Executive Director of ADERA Global Group, Mr Keith Magnus, Co-Chairman Asia & Senior MD of Evercore, Mr Sanjay Gangopadhyay, Vice President & General Manager SEA & India of Nike and Mr Arthur Tay, CEO and Executive Director.

National Kidney Foundation

SUTL supported our long-time charity partner, National Kidney Foundation (NKF Singapore), with a Hole-In-One prize and golf flight at their inaugural charity golf event held on 24 September at Tanah Merah Country Club. The Hole-in-One prize was the prestigious ONE°15 Marina Sentosa Cove individual membership worth S\$30,000. SUTL's CEO and Executive Director, Arthur Tay, together with his friends and business partners, had an enjoyable game of golf amidst good weather.

Singapore Cancer Society

SUTL participated in the Singapore Cancer Society (SCS) Charity Golf 2021- Chip In for Cancer held on 3 November at Tanah Merah Country Club. Mr Arthur Tay, SUTL CEO and Executive Director hosted a golf flight with business partners and friends.

Apart from sponsoring the exclusive ONE°15 Marina Sentosa Cove membership as a Hole-In-One prize, our Nestlé and FIJI Water principals kindly contributed Milo and FIJI Water to the event goodie bags. The event successfully raised over \$400,000 from sponsors, donors and the general public.



(L-R): Mr Edmund E, Faith Methodist Church, Mr Lew Syn Pau, Ex-Chairman of SUTL Enterprise, Mr Yeo Wee Kiong, Independent Director of SUTL Enterprise and Mr Arthur Tay, CEO and Executive Director of SUTL Enterprise.

Faith Acts

SUTL also supported the Faith Acts Islandwide Virtual Charity Golf held over 3 months (August - October 2021) towards Project K-ACTS, a fund raising event for kids education and development programmes.

CORPORATE INFORMATION

Board Of Directors

Richard Eu Yee Ming
Non-executive Chairman and
Independent Director
(Appointed on 31 December 2021)

Lew Syn Pau
Non-executive Chairman and
Independent Director
(Resigned on 31 December 2021)

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

Yeo Wee Kiong
Chairman
(Redesignated from Member to
Chairman on 31 December 2021)

Lew Syn Pau
Chairman
(Resigned on 31 December 2021)

Richard Eu Yee Ming
Member
(Appointed on 31 December 2021)

Chan Kum Tao
Member

Nominating Committee

Richard Eu Yee Ming
Chairman
(Appointed on 31 December 2021)

Yeo Wee Kiong
Member
(Redesignated from Chairman
to Member on 31 December 2021)

Arthur Tay Teng Guan
Member

Lew Syn Pau
Member
(Resigned on 31 December 2021)

Remuneration Committee

Yeo Wee Kiong
Chairman
(Redesignated from Member to
Chairman on 31 December 2021)

Lew Syn Pau
Chairman
(Resigned on 31 December 2021)

Richard Eu Yee Ming
Member
(Appointed on 31 December 2021)

Chan Kum Tao
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

Naveen Sasidaran
Partner-in-charge (Since 2021)
RSM Chio Lim LLP
8 Wilkie Road,
#03-08, Wilkie Edge
Singapore 228095

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
The Hongkong and Shanghai
Banking Corporation Limited
RHB Bank Berhad

General Enquiry/ Investor Relations

For further information about
SUTL Enterprise Limited,
please contact the Secretariat
at the Registered Office
E: investors_relations@sutl.com
W : 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.¹

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.²

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.³ 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.⁴ 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.⁵

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

¹ Principle 1 of the Code

² Provision 1.1 of the Code

³ Provision 1.1 of the Code

⁴ Provision 1.1 of the Code

⁵ Provision 1.2 of the Code

CORPORATE GOVERNANCE

training and development courses at the Company's expense.⁶ Updates on relevant legal, accounting 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.⁷

During the financial year ended 31 December 2021 ("FY2021"), Mr Eu Yee Ming Richard was appointed as an Independent Director and Chairman of the Board with effect from 31 December 2021. Mr Eu Yee Ming Richard has prior experience as a director of several issuers listed on the SGX-ST. Mr Eu Yee Ming Richard as a newly appointed Director was 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 he is aware of the responsibilities and obligations of being an Independent Director.⁸

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.⁹

Matters which are reserved for the Board's decision are as follows:¹⁰

- (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;

⁶ Provision 1.2 of the Code

⁷ Provision 1.2 of the Code

⁸ Provision 1.2 of the Code

⁹ Provision 1.3 of the Code

¹⁰ Provision 1.3 of the Code

CORPORATE GOVERNANCE

- (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
- (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 reference setting out its composition, 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.¹¹

Directors' attendance at Board and Board Committee meetings in FY2021

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 FY2021 are disclosed in the table below.¹²

Meetings	Main Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	3	4	1	1
Directors				
Lew Syn Pau (Independent) ⁽¹⁾	3	4	1	1
Richard Eu Yee Ming (Independent) ⁽²⁾	NA	NA	NA	NA
Tay Teng Guan Arthur (Executive)	3	NA	1	NA
Tay Teng Hock (Non-Executive)	3	NA	NA	NA
Chan Kum Tao (Non-Executive)	3	4	NA	1
Yeo Wee Kiong (Independent)	3	4	1	1

Notes:

(1) Mr Lew Syn Pau has resigned from the Board with effect from 31 December 2021.

(2) Mr Richard Eu Yee Ming was appointed as an Independent Director, Chairman of the board and NC and a member of the AC and RC with effect from 31 December 2021. During the period of Mr Richard Eu Yee Ming's appointment as a Director of the Company in FY 2021, there were no meetings of the Main Board, the AC, the NC or the RC.

¹¹ Provision 1.4 of the Code

¹² Provision 1.5 of the Code

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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 six listed company board representations. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.¹³ As part of the assessment of the performance of the individual Directors, further details of which are set out on page 16 to 18, 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 FY2021.

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 on an on-going basis.¹⁴

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 of the Board meetings at which the draft announcements for the half year and full year financial results are considered. The appointment and removal of the company secretary is subject to the approval of the Board as a whole.¹⁵

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.

¹³ Provision 1.5 of the Code

¹⁴ Provision 1.6 of the Code

¹⁵ Provision 1.7 of the Code

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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 corporations¹⁶, its substantial shareholders¹⁷ 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.¹⁸

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

During FY2021, Mr Lew Syn Pau was an Independent Director and Chairman of the Board until he resigned from the Board with effect from 31 December 2021, and Mr Richard Eu Yee Ming was appointed to the Board as an Independent Director and Chairman of the Board with effect from 31 December 2021. During FY2021, for the period that Mr Lew Syn Pau was the Chairman of the Board, he was an Independent Director. The Chairman of the Board is currently Mr Richard Eu Yee Ming, who is an Independent Director. The Board currently comprises five Directors, of which two are Independent Directors based on the provisions relating to independence as set out in the Code¹⁹ and the Listing Manual of the SGX-ST, and two are Non-Executive Directors. During FY2021, non-executive Directors made up a majority of the Board²⁰ and Independent Directors made up at least one-third of the Board.²¹ 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 and (with effect from 1 January 2022) that independent directors must comprise at least one-third of the Board.

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.²²

The Company has a written board and management diversity policy. The Company recognises that having diversity in respect of the Board would foster a diversity of perspectives and opinions and would encourage an active discussion on issues raised before the Board, which the management personnel could benefit from, and is an important element in supporting the achievement of the Company’s strategic objectives and its long-term development. In terms of the composition of the Board, the Company seeks to have a Board that comprises directors who as a group provide an appropriate balance and have diversity from a number of aspects, including in terms of skills, experience, gender, and knowledge of the Company, as well as to have a balance between executive, non-executive and

¹⁶The term “related corporation”, in relation to the company, has the same meaning as currently defined in the Companies Act 1967, i.e. a corporation that is the company’s holding company, subsidiary or fellow subsidiary.

¹⁷A “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 2001.

¹⁸Provision 2.1 of the Code

¹⁹Provision 2.2 of the Code

²⁰Provision 2.3 of the Code

²¹Footnote 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.”

²²Provision 2.4 of the Code

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independent directors.

With regard to the current composition of the Board, 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. They also provide core competencies such as accounting or finance, business or management experience and strategic planning experience.

The board and management diversity policy sets out certain criteria which are relevant to having diversity on the Board, and provides that these shall be included in the criteria used for evaluating the performance and effectiveness of the Board, Board committees and individual directors.

In respect of the process for selecting and appointing new Directors to the Board, and the evaluation by the NC of potential candidates and their suitability, the criteria considered by the NC shall include the qualifications and experience of the candidate and their likely contributions to the Board. Candidates will be considered based on merit, however, consideration will also be given to having diversity to the Board. In particular, in identifying suitable candidates for appointment to the Board, the NC will ensure that where possible, female candidates are included for consideration. Nevertheless, the Company views that diversity is not merely limited to gender or any other personal attributes, but should be considered as a whole.

The board and management diversity policy also provides that the Company seeks to have female representation on the management team. The Company aims, within the next 3 years, and by 2025, that not less than 20% of the personnel on the management team are female.

During FY2021, the AC met without the presence of the Management at least once annually.²³ The AC comprises 2 Independent Directors and 1 Non-Executive Director, and the Chairman of the AC is currently Mr Yeo Wee Kiong, an Independent Director. The Chairman of the AC provides feedback to the Board and/or the Chairman of the Board, as appropriate.²⁴

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 and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.²⁵ The Chairman and the CEO are not immediate family members.²⁶ The CEO is Mr Tay Teng Guan Arthur. During FY2021, Mr Lew Syn Pau was the Chairman until he resigned from the Board with effect from 31 December 2021, and Mr Richard Eu Yee Ming was appointed as Chairman with effect from 31 December 2021.

Provision 3.2 of the Code 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

²³ Provision 2.5 of the Code

²⁴ Provision 2.5 of the Code

²⁵ Provision 3.1 of the Code

²⁶ Rule 1207(10A) of the Listing Manual of the SGX-ST

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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. 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. In addition, both Mr Lew Syn Pau who was the Chairman and Mr Richard Eu Yee Ming who is currently the Chairman, have extensive experience as a director on the boards of various companies.

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.²⁷

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.²⁸

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.²⁹

The Company has not appointed a lead independent director as the Chairman is independent.³⁰

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 follows:³¹

- (a) making recommendations to the Board on relevant matters relating to:

²⁷ Provision 3.2 of the Code

²⁸ Provision 3.2 of the Code

²⁹ Provision 3.2 of the Code

³⁰ Provision 3.3 of the Code

³¹ Provision 4.1 of the Code

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- (i) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;³²
- (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 commitments³³, 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.³⁴

For FY2021, the members of the NC were:³⁵

Mr Yeo Wee Kiong, Chairman of the NC ⁽¹⁾	(Independent Director)
Mr Lew Syn Pau, Member of the NC ⁽²⁾	(Independent Director)
Mr Eu Yee Ming Richard, Member of the NC ⁽³⁾	(Independent Director)
Mr Tay Teng Guan Arthur, Member of the NC	(Executive Director and CEO)

³² 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.

³³ 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.

³⁴ Provision 4.2 of the Code

³⁵ Provision 4.2 of the Code

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Note:

- (1) Mr Yeo Wee Kiong has been re-designated as a member of the NC with effect from 31 December 2021.
- (2) Mr Lew Syn Pau has resigned from the Board with effect from 31 December 2021. Prior to that, Mr Lew Syn Pau was an Independent Director and member of the NC.
- (3) Mr Eu Yee Ming Richard was appointed as an Independent Director and a Chairman of the NC with effect from 31 December 2021.

Nomination and selection of Directors

The Company has in place a process for selecting and appointing new Directors to the Board.³⁶ 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.³⁷ The criteria considered by the NC include the qualifications and experience of the candidate and his likely contributions to the Board.³⁸ 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.³⁹ 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.⁴⁰ 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.⁴¹

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.⁴² 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.⁴³

The NC and Board were satisfied that Mr Lew Syn Pau was (for the period that Mr Lew Syn Pau was a Director during FY2021), and Mr Yeo Wee Kiong and Mr Eu Yee Ming Richard 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,

³⁶ Provision 4.3 of the Code

³⁷ Provision 4.3 of the Code

³⁸ Provision 4.3 of the Code

³⁹ Provision 4.3 of the Code

⁴⁰ Provision 4.3 of the Code

⁴¹ Provision 4.3 of the Code

⁴² Provision 4.4 of the Code

⁴³ Provision 4.4 of the Code

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including the evaluation of their independence of judgement and contributions to the Board.

Pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which came 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”). Currently, there are no Independent Directors who have been a director for an aggregate period of more than 9 years.

Directors’ time commitments

The NC ensures that new Directors are aware of their duties and obligations.⁴⁴

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.⁴⁵ 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 FY2021.

The listed company directorships and principal commitments of each Director are disclosed on page 16 to 18 of the Annual Report.⁴⁶

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 six listed company board representations.⁴⁷ During FY2021, 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 FY2021, 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 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.⁴⁸

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

⁴⁴ Provision 4.5 of the Code

⁴⁵ Provision 4.5 of the Code

⁴⁶ Provision 4.5 of the Code

⁴⁷ Provision 4.5 of the Code

⁴⁸ Provision 5.1 of the Code

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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.⁴⁹

(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:⁵⁰

- (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 RC 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 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;

⁴⁹ Provision 5.2 of the Code

⁵⁰ Provision 6.1 of the Code

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- (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 FY2021, the members of the RC were:⁵¹

Mr Lew Syn Pau, Chairman of the RC ⁽¹⁾	(Independent Director)
Mr Yeo Wee Kiong, Member of the RC ⁽²⁾	(Independent Director)
Mr Chan Kum Tao, Member of the RC	(Non-Executive Director)
Mr Eu Yee Ming Richard, Member of the RC ⁽³⁾	(Independent Director)

Notes:

- (1) Mr Lew Syn Pau has resigned from the Board with effect from 31 December 2021. Prior to that, Mr Lew Syn Pau was an Independent Director and Chairman of the RC.
- (2) Mr Yeo Wee Kiong has been appointed as the Chairman of the RC with effect from 31 December 2021.
- (3) Mr Eu Yee Ming Richard was appointed as an Independent Director and a member of the RC with effect from 31 December 2021.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.⁵² No Director is involved in deciding his own remuneration.⁵³

For FY2021, the Company did not engage any external remuneration consultant.⁵⁴

Provision 1.4 of the Code recommends, *inter alia*, that a summary of the RC's activities be disclosed in the annual report. During FY2021, 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 where applicable. The fixed component is in the form of a base salary. The variable component is in the

⁵¹ Provision 6.2 of the Code

⁵² Provision 6.3 of the Code

⁵³ Principle 6 of the Code

⁵⁴ Provision 6.4 of the Code

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form of a variable bonus that is linked to the performance of the Group and each individual's performance.⁵⁵ 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.⁵⁶

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.⁵⁷

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.⁵⁸

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.⁵⁹

The Group adopts a remuneration policy⁶⁰ 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.⁶¹

⁵⁵ Provision 7.1 of the Code

⁵⁶ Provision 7.1 of the Code

⁵⁷ Provision 7.2 of the Code

⁵⁸ Provision 7.3 of the Code

⁵⁹ Provision 7.3 of the Code

⁶⁰ Provision 8.1 of the Code

⁶¹ Provision 8.1 of the Code

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The breakdown (in percentage terms) of the remuneration for FY2021, of Directors of the Company, is set out below:⁶²

Remuneration band & name of Directors	Base/ fixed salary %	Variable or performance related income/ bonus %	Fees (A) %	Benefits And allowances %	Central Provident Fund ("CPF") and other long term incentives %	Equity based incentives %	Total %
Above S\$250,000							
Below S\$500,000							
Tay Teng Guan Arthur	60	13	7	9	2	9	100
Below S\$250,000							
Tay Teng Hock	-	-	72	-	-	28	100
Chan Kum Tao	-	-	77	-	-	23	100
Lew Syn Pau	-	-	81	-	-	19	100
Yeo Wee Kiong	-	-	82	-	-	18	100
Eu Yee Ming Richard ^(B)	-	-	-	-	-	-	-

Notes:

- (1) Directors' fees in an aggregate amount are subject to approval by shareholders at the Company's forthcoming AGM.
- (2) Mr Eu Yee Ming Richard was appointed as an Independent Director, the Chairman of the NC and a member of the AC and the RC with effect from 31 December 2021. In light that the period of Mr Richard Eu Yee Ming's appointment as a Director of the Company during FY2021 was relatively short, there were no Directors' fees payable to him for FY2021.

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 FY2021. 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.

⁶² Provision 8.1(a) of the Code

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The breakdown (in percentage terms) of the remuneration for FY2021, of the top five key management personnel who are not also Directors of the Company, is set out below:⁶³

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	Equity based incentives	Total
	%	%	%	%	%	%	%
Above \$250,000							
Below S\$500,000							
Darren Oh	73	6	-	6	7	8	100
Below S\$250,000							
Teo Joo Leng	61	13	-	6	6	14	100
Tan Choon Kiat	60	13	-	6	9	12	100
Jonathan Sit	59	18	-	4	12	7	100
Brian Werner	79	-	-	12	-	9	100

Total remuneration paid to the above top key management personnel (who are not Directors or the CEO) of the Group for FY2021 was approximately S\$983,479.⁶⁴

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 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 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 FY2021, 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 FY2021, 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.⁶⁵

On 29 April 2011, the Company put in place a share option scheme approved by shareholders (the “**Share Option Scheme 2011**”). The Share Option Scheme 2011 was adopted for an initial duration of up to a maximum of ten (10) years, and was extended at the Company’s AGM on 28 April 2021 for a further period of ten (10) years from 29 April 2021 to 28 April 2031. Under the Share Option Scheme 2011, 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 pages 53 and 55 of this Annual Report.⁶⁶

⁶³ Provision 8.1(b) of the Code

⁶⁴ Provision 8.1(b) of the Code

⁶⁵ Provision 8.2 of the Code

⁶⁶ Provision 8.3 of the Code

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(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.⁶⁷

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; and⁶⁸
- (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.⁶⁹

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:⁷⁰

- (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 GFC 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;

⁶⁷ Provision 9.1 of the Code

⁶⁸ Provision 9.2(a) of the Code

⁶⁹ Provision 9.2(b) of the Code

⁷⁰ Provision 10.1 of the Code

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- (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;
- (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;⁷¹
- (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 AC;
- (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;

⁷¹ Provision 10.1(f) of the Code

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- (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;
- (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 AC 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 in place a "Whistle Blowing Policy", which is made available to employees, which sets out the procedures for a whistleblower to make a report to the Company on any misconduct or wrongdoing relating to the Company and its officers or any breach or suspected breach of law or regulation that may adversely impact the Company.⁷² The Whistle Blowing Policy 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.⁷³ The Company has designated the General Manager, Risk Management to carry out investigations on reports made in good faith.⁷⁴ All reports are communicated directly to the Chairman of the AC. All reports, including the identity of the whistleblower, will be treated strictly confidentially, unless the Company is required by law to disclose this, for example, to the police.⁷⁵ Reports can be made anonymously, if desired. The Company committed to protect those who come forward to report such activities from punishment or detrimental or unfair treatment for disclosing concerns in good faith in accordance to the procedure set out in the policy, as well as protect those who are subsequently assigned to assist in the investigation of the report.⁷⁶ The oversight of and monitoring of the Company's whistle blowing policy is undertaken by the AC. The duties and responsibilities of the AC include (i) reviewing the whistleblowing policy and arrangements for whistleblowing reports to be safely raised, independently investigated and appropriately followed up on, and (ii) reviewing certain matters including matters relating to suspected fraud or irregularity or suspected infringement of any Singapore laws, and which has or is likely to have a material impact on the Company's or Group's operating results and/or financial position.⁷⁷

The AC currently comprises three directors, all of whom are non-executive Directors, and the majority of which, including its Chairman, are Independent Directors.⁷⁸

⁷² Provision 10.1(f) of the Code, Rule 1207(18A) of the Listing Manual of the SGX-ST

⁷³ Provision 10.1(f) of the Code

⁷⁴ Provision 10.1(f) of the Code, Rule 1207(18B)(a) of the Listing Manual of the SGX-ST

⁷⁵ Provision 10.1(f) of the Code, Rule 1207(18B)(b) of the Listing Manual of the SGX-ST

⁷⁶ Provision 10.1(f) of the Code, Rule 1207(18B)(c) of the Listing Manual of the SGX-ST

⁷⁷ Provision 10.1(f) of the Code, Rule 1207(18B)(d) of the Listing Manual of the SGX-ST

⁷⁸ Provision 10.2 of the Code

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For FY2021, the members of the AC were:⁷⁹

Mr Lew Syn Pau, Chairman of the AC ⁽¹⁾	(Independent Director)
Mr Yeo Wee Kiong, Member of the AC ⁽²⁾	(Independent Director)
Mr Chan Kum Tao, Member of the AC	(Non-Executive Director)
Mr Eu Yee Ming Richard, Member of the AC ⁽³⁾	(Independent Director)

Notes:

- (1) Mr Lew Syn Pau has resigned from the Board with effect from 31 December 2021. Prior to that, Mr Lew Syn Pau was an Independent Director and Chairman of the AC.
- (2) Mr Yeo Wee Kiong was appointed as the Chairman of the AC with effect from 31 December 2021.
- (3) Mr Eu Yee Ming Richard was appointed as an Independent Director and a member of the AC with effect from 31 December 2021.

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.⁸⁰

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.⁸¹

The primary reporting line of the internal audit function is to the AC.⁸² The internal audit function is conducted by the Company's internal auditor. The AC decides on the appointment, termination and remuneration of the internal auditor.⁸³ 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.⁸⁴

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 FY2021, the internal audit function of the Group is independent, effective and adequately resourced.⁸⁵

The Company's external auditors are RSM Chio Lim LLP (an accounting firm registered with the Accounting and Corporate Regulatory Authority of Singapore).

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least once annually.⁸⁶

⁷⁹ Provision 10.2 of the Code

⁸⁰ Provision 10.2 of the Code

⁸¹ Provision 10.3 of the Code

⁸² Provision 10.4 of the Code

⁸³ Provision 10.4 of the Code

⁸⁴ Provision 10.4 of the Code

⁸⁵ Rule 1207(10C) of the Listing Manual of the SGX-ST

⁸⁶ Provision 10.5 of the Code

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During FY2021, the AC held 4 meetings. The external auditors were in attendance at 2 of these meetings, and the internal auditor was in attendance at 3 of these meetings.⁸⁷ 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.⁸⁸ 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.⁸⁹ The audit service and non-audit service fees paid or payable for FY2021 are stated in page 83 of this Annual Report.⁹⁰

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 FY2021, the Board, with the concurrence of the AC, is of the opinion that, for FY2021, 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.⁹¹

Provision 1.4 of the Code recommends, *inter alia*, that a summary of the AC's activities be disclosed in the annual report. During FY2021, 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.

(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,

⁸⁷ Provision 10.5 of the Code

⁸⁸ Rule 1207(6)(b) of the Listing Manual of the SGX-ST

⁸⁹ Rule 1207(6)(c) of the Listing Manual of the SGX-ST

⁹⁰ Rule 1207(6)(a) of the Listing Manual of the SGX-ST

⁹¹ Rule 1207(10) of the Listing Manual of the SGX-ST

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including voting procedures.⁹² 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.⁹³

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.⁹⁴ During FY2021, the AGM of the Company was the only general meeting that was held, and this was attended by all the Directors at the time.⁹⁵

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.⁹⁶ 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 1967. The minutes of general meetings would include substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.⁹⁷

In light of the COVID-19 pandemic, during FY2021, the Company’s AGM was held by electronic means on 28 April 2021 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture

⁹² Provision 11.1 of the Code

⁹³ Provision 11.2 of the Code

⁹⁴ Provision 11.3 of the Code

⁹⁵ Provision 11.3 of the Code

⁹⁶ Provision 11.4 of the Code

⁹⁷ Provision 11.5 of the Code

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Holders) Order 2020 (the “**Order**”). Pursuant to the Order, the minutes of the AGM held on 28 April 2021 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 27 April 2022 will also be held by electronic means pursuant to the Order, and the minutes of the AGM to be held on 27 April 2022 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.⁹⁸ After considering the Company’s dividend policy, the Board is of the view that it is in the Company’s interest to distribute a final cash dividend of 2 Singapore cents per ordinary share representing 34.9% of the Group’s net attributable profit to shareholders in FY2021 (based on the total number of issued shares of the Company (excluding any shares held as treasury shares or which comprise subsidiary holdings) as at the latest practicable date of 28 March 2022.⁹⁹ This is in addition to the 1-tier tax exempt interim special dividend of 10 cents per ordinary share for FY2021, paid on 1 October 2021.

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.¹⁰⁰ 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.

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

⁹⁸ Provision 11.6 of the Code

⁹⁹ Provision 11.6 of the Code

¹⁰⁰ Provision 12.1 of the Code

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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, through which shareholders may contact the Company with questions and through which the Company may respond to such questions.¹⁰¹

(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.¹⁰²

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.¹⁰³

Details of the Company’s strategy and key areas of focus in relation to the management of stakeholder relationships during FY2021 will be set out in the Company’s Sustainability Report for FY2021, which will be posted electronically on SGXNET and the Company’s corporate website before the end of May 2022.¹⁰⁴

The Company maintains a current corporate website at <http://sutlenterprise.com/>, to communicate and engage with stakeholders.¹⁰⁵

¹⁰¹ Provision 12.3 of the Code

¹⁰² Provision 13.1 of the Code

¹⁰³ Provision 13.1 of the Code

¹⁰⁴ Provision 13.2 of the Code

¹⁰⁵ Provision 13.3 of the Code

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(F) OTHER MATTERS

Interested Person Transactions

The Company does not have a shareholder's mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST.

During FY2021, 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 2021 or if not then subsisting, entered into since 31 December 2020.

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 Eu Yee Ming Richard

Age	74
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

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<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>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>	<p>Yes. Eu Yan Sang International Ltd; Broadway Industrial Group Ltd; Tuan Sing Holdings Ltd.</p>
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Mr Tay Teng Hock

Age	65
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 Guan Arthur, who is an Executive Director and the CEO. Mr Tay Teng Guan Arthur is considered a controlling shareholder of the Company. Mr Tay Teng Guan Arthur holds approximately 51% in the total issued shares of SUTL Global Pte. Ltd. SUTL Global Pte. Ltd. is a controlling shareholder of the Company as it is directly interested in an aggregate of 47,389,942 shares representing approximately 55.12% of the total number of shares issued by the Company. Mr Tay Teng Guan Arthur also holds 125,000 shares representing approximately 0.145% of the total number of shares issued by the Company.</p> <p>Father of Mr Tay Kuan Wee Alex, who is the Special Assistant to the CEO.</p> <p>Father of Mr Tay Kuan Jin Alvin, who is the Senior Business Development Manager.</p>
Conflict of interest (including any competing business)	<p>No.</p> <p>Mr Tay Teng Hock is a shareholder of</p>

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	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 Hock 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, inter alia, the proposed acquisition by the Company of SUTL Marina Development Pte Ltd and ONE15 Luxury Yachting Pte Ltd.
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>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>	<p>Prior to appointment as Director of the Company in 2010, no.</p>

Further information relating to the Directors who are proposed to be re-elected to the Board is also set out on pages 16 and 18 of the Annual Report.

The re-election of Mr Eu Yee Ming Richard as the Independent Director of the Company and re-election of Mr Tay Teng Hock as the Non-Executive Director 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 Eu Yee Ming Richard and Mr Tay Teng Hock in the Group is set out on page 52, 53 and 55 of the Annual Report.

Mr Eu Yee Ming Richard and Mr Tay Teng Hock 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 sustainable business practices and endeavours to prudently balance economic viability with sustainability. We are committed to incorporating sustainability in our corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. To meet the challenges of the ongoing COVID-19 pandemic, the Group stays committed to prioritising the safety of our employees and workers.

The table below summarises the material topics in line with the Global Reporting Initiative (“GRI”) standards that are relevant to the Group and our stakeholders.

Economic	Environmental	Social
Economic Performance Indirect Economic Impacts Anti-Corruption Procurement Practices Tax	Energy Water and Effluents Biodiversity Waste Environmental Compliance	Employment Occupational Health and Safety Training and Education Diversity and Equal Opportunity Local Communities Customer Health and Safety Customer Privacy Socioeconomic Compliance

More information on the Group’s efforts on sustainability management in FY2021 can be found in our 2021 Sustainability Report which will be posted electronically on SGXNet and our corporate website in May 2022.

STATEMENT BY DIRECTORS

The directors of the Company are pleased to present their statement to the members with the audited consolidated financial statements of SUTL Enterprise Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the financial position 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 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

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

Eu Yee Ming Richard (Appointed on 31 December 2021)
Tay Teng Guan Arthur
Tay Teng Hock
Chan Kum Tao
Yeo Wee Kiong
Lew Syn Pau (Retired on 31 December 2021)

3. Directors’ interests in shares and debentures

The following directors of the Company, 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 1967 (the “Act”), an interest in the shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director and company in which interests are held	Direct interests		Deemed interests	
	At the beginning of the financial year	At the end of the financial year	At the beginning of the financial year	At the end of the financial year
	<u>Number of ordinary shares</u>			
<u>The Company</u>				
Tay Teng Guan Arthur	–	125,000	47,389,942	47,389,942
Tay Teng Hock	–	50,000	–	–
Chan Kum Tao	–	50,000	–	–
Yeo Wee Kiong	–	50,000	–	–
Eu Yee Ming Richard	–	–	–	–
Lew Syn Pau (Retired on 31 December 2021)	144,000	206,500	–	–

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

Name of director and company in which interests are held	Direct interests		Deemed interests	
	At the beginning of the financial year	At the end of the financial year	At the beginning of the financial year	At the end of the financial year
	<u>Number of shares under option</u>			
<u>The Company</u>				
Tay Teng Guan Arthur	500,000	625,000	–	–
Tay Teng Hock	200,000	250,000	–	–
Chan Kum Tao	200,000	250,000	–	–
Yeo Wee Kiong	100,000	150,000	–	–
Eu Yee Ming Richard	–	–	–	–
Lew Syn Pau (Retired on 31 December 2021)	250,000	312,500	–	–

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

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 interests		Deemed interests	
	At the beginning of the financial year	At the end of the financial year	At the beginning of the financial year	At the end of the financial year
	<u>Number of ordinary shares</u>			
Sarandra Malaysia Sdn Bhd	–	–	3,480,000	3,480,000
One15 Marina Development Bhd	–	–	5,000,000	5,000,000
One15 Marina Management Sdn Bhd	–	–	100	100

The directors' interests as at 21 January 2022 were the same as those at the end of the financial year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the options rights and other rights mentioned below.

STATEMENT BY DIRECTORS

5. 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. SOS 2011 was extended for a period of ten years from 29 April 2021 up to and including 28 April 2031. 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.

The exercise price is at:

- A price which is equivalent to the market price (as determine 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 were granted.

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

Yeo Wee Kiong	(Chairman)
Eu Yee Ming Richard	(Member)
Chan Kum Tao	(Member)

On 24 May 2021, the Company granted options to directors and employees of the Group to subscribe for 1,335,000 (3 July 2020:1,125,000) 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\$0.50 (2020: S\$0.38).

STATEMENT BY DIRECTORS

5. Share options (cont'd)

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 since commencement of Scheme to end of financial year under review	Aggregate options lapsed since commencement of Scheme to end of financial year under review	Aggregate options outstanding as at year end of financial year under review
SOS 2011					
<u>Directors</u>					
Chan Kum Tao	100,000	300,000	(50,000)	–	250,000
Yeo Wee Kiong	100,000	200,000	(50,000)	–	150,000
Retired directors	125,000	475,000	(62,500)	(100,000)	312,500
<u>Controlling shareholder and his associates</u>					
Tay Teng Guan Arthur	250,000	750,000	(125,000)	–	625,000
Tay Teng Hock	100,000	300,000	(50,000)	–	250,000
<u>Employees</u>	660,000	1,690,000	(200,000)	(230,000)	1,260,000
	<u>1,335,000</u>	<u>3,715,000</u>	<u>(537,500)</u>	<u>(330,000)</u>	<u>2,847,500</u>

The outstanding number of options at the end of the reporting year was:

Exercise price outstanding	Grant date	Exercise period	Number of shares as at 31 December	
			2021	2020
57.70 cents	5 July 2019	5 July 2020 to 4 July 2024	325,000	325,000
57.70 cents	5 July 2019	5 July 2020 to 4 July 2029	600,000	600,000
38.00 cents	5 July 2020	3 July 2021 to 2 July 2025	212,500	425,000
38.00 cents	3 July 2020	3 July 2021 to 2 July 2030	375,000	700,000
50.00 cents	24 May 2021	24 May 2022 to 24 May 2026	425,000	–
50.00 cents	24 May 2021	24 May 2022 to 24 May 2031	910,000	–
			<u>2,847,500</u>	<u>2,050,000</u>

Aggregate options granted since commencement of SOS 2011 to end of the financial year under review is 3,715,000 (2020: 2,380,000).

STATEMENT BY DIRECTORS

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. Report of audit committee

The members of the audit committee (“AC”) at the date of this report are as follows:

Yeo Wee Kiong (Chairman)
Eu Yee Ming Richard (Member)
Chan Kum Tao (Member)

The AC performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the Company’s internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational, compliance and information technology controls) and risk management systems, and the assistance given by the management to the internal auditor.
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual).

Other functions performed by the AC are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The AC has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

8. Directors’ opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the AC and the board are of the opinion that the Group’s internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, are adequate and effective as at the end of the reporting year 31 December 2021.

STATEMENT BY DIRECTORS

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 24 February 2022, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the board of directors

.....

Tay Teng Guan Arthur
Director

31 March 2022

.....

Tay Teng Hock
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTL ENTERPRISE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of SUTL Enterprise Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("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 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting 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 Company 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.

Other matter

The financial statements of the reporting entity for the reporting year ended 31 December 2020 were audited by another independent auditor who expressed an unqualified opinion on those financial statements dated 31 March 2021.

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 reporting year. 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.

1. Reclassification of and write-down on non-current assets to assets held for sale

Refer to Note 2 on accounting policies and Note 2C on critical judgements, assumptions and estimation uncertainties. Further information in relation to assets held for sale are provided in Note 18 to the financial statements.

The Group's assets held for sale comprise of freehold land, furniture and fittings, equipment, pontoons and fixtures (the "Assets") with an aggregate sum of \$4,710,000 as at 31 December 2021.

We identified the classification and the assessment of the carrying value of the assets held for sale as a key audit matter as the determination of whether these Assets meet the criteria for classification as held for sale, as set out under SFRS(I) 5 – Non-current Assets Held for Sale and Discontinued Operations ("SFRS(I) 5"), required judgement. Further, the determination of the fair value less costs to sell required estimations, including expected future selling prices and the costs necessary to complete the sale of these Assets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTL ENTERPRISE LIMITED

Key audit matters (cont'd)

1. Reclassification of and write-down on non-current assets to assets held for sale (cont'd)

As required by SFRS(I) 5, management measured the Assets in accordance with SFRS(I) 1-36 – Impairment of Assets (“SFRS(I) 1-36”) and recorded an impairment loss of \$2,790,000 in conjunction with the classification of the Assets as held for sale.

We reviewed management's assessment of the basis for classification of these Assets as held for sale. We assessed the reasonableness of the recoverable amounts of these Assets, which had been determined by management with reference to expected sale prices. We also assessed the adequacy of the disclosures made in the financial statements.

2. Assessment of impairment of trade receivables

Refer to Note 2 on accounting policies and Note 2C on critical judgements, assumptions and estimation uncertainties. Further information in relation to impairment of trade receivables are provided in Note 15 of the financial statements.

As at 31 December 2021, the Group's gross trade receivables amounted to \$2,970,000 (2020: \$2,740,000). The estimated credit loss allowance for trade receivables amounted to \$425,000 (2020: \$604,000).

We identified the assessment of impairment of trade receivables as a key audit matter as the collectability of trade receivables is essential to the Group's working capital management. In addition, the level of allowance for expected credit losses (“ECL”) on trade receivables requires significant management's judgement regarding the expected future financial condition and ability of future receipts from the debtors.

Management's approach for assessing the ECL on trade receivable includes the identification of two distinct debtor groups with differing credit risk profiles, corporate and individual, and individually analysing the historical collection trends for each aged bracket. There is a risk that the Group's trade receivables which are past due but not impaired may not be recoverable and allowance for expected credit losses on doubtful trade receivables may not be adequate or reasonable. The Group uses historical loss rates which are based on bad debts written off in the prior years for each aged bracket. The historical loss rates are also adjusted with forward-looking information which incorporate forecasted macroeconomic factors.

We reviewed management's process over the recoverability of outstanding trade receivables and evaluated management's assumptions used to estimate the trade receivables allowance amount. For trade receivables of which recoverability is in doubt, we assessed the Group's processes and controls relating to the monitoring of trade receivables and considered ageing of debts to identify collection risks. We also performed other audit procedures that included reviewing payment history and verifying to receipts subsequent to the year end. Lastly, we assessed the adequacy of the disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the statement by directors 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.

INDEPENDENT AUDITOR'S REPORT 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 the financial reporting standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company'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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 Company'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 Company to cease to continue as a going concern.
- (e) 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.
- (f) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTL ENTERPRISE LIMITED

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

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 Naveen Sasidaran.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2022

Engagement partner – effective from reporting year ended 31 December 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 2021

	<u>Notes</u>	<u>Group</u> <u>2021</u> \$'000	<u>2020</u> \$'000
Revenue			
Sales of goods and services	5	20,353	15,603
Membership related fees and management fees	5	<u>11,529</u>	<u>11,432</u>
Total revenue		<u>31,882</u>	<u>27,035</u>
Other income	6	1,281	1,819
Items of expense			
Employee benefits expense	7	(10,948)	(9,895)
Advertising, publication and event expenses		(518)	(659)
Depreciation expense	12	(5,678)	(6,132)
Cost of sales		(3,182)	(2,475)
Repair, maintenance and cleaning expenses		(1,677)	(1,538)
Utilities		(818)	(683)
Property tax		(830)	(171)
Allowance for doubtful receivables		(2)	(702)
Loan interest, bank and credit card charges		(616)	(510)
Other expenses	8A	<u>(4,392)</u>	<u>(2,465)</u>
Total expenses		<u>(28,661)</u>	<u>(25,230)</u>
Profit before tax from continuing operations		<u>4,502</u>	<u>3,624</u>
Income tax expense	9	<u>(1,523)</u>	<u>(1,217)</u>
Profit from continuing operations for the year		<u>2,979</u>	<u>2,407</u>
<u>Other comprehensive income/(loss):</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		<u>32</u>	<u>(1)</u>
Total comprehensive income		<u>3,011</u>	<u>2,406</u>
<u>Profit/(loss) attributable to:</u>			
Owners of the Company		4,921	3,184
Non-controlling interests		<u>(1,942)</u>	<u>(777)</u>
Profit net of tax		<u>2,979</u>	<u>2,407</u>
<u>Total comprehensive income attributable to:</u>			
Owners of the Company		4,941	3,183
Non-controlling interests		<u>(1,930)</u>	<u>(777)</u>
Total comprehensive income		<u>3,011</u>	<u>2,406</u>
Earnings per share attributable to owners of the Company (cents)			
Basic	11	5.74	3.69
Diluted	11	<u>5.72</u>	<u>3.69</u>

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Notes	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	66,220	77,620	–	–
Investment in subsidiaries	13	–	–	20,901	41,162
		<u>66,220</u>	<u>77,620</u>	<u>20,901</u>	<u>41,162</u>
Current assets					
Inventories	14	171	119	–	–
Prepayments		351	409	4	–
Trade and other receivables	15	2,810	2,770	25	1
Amounts due from related companies	16	102	56	80	100
Cash and cash equivalents	17	46,699	50,372	34,535	26,971
		<u>50,133</u>	<u>53,726</u>	<u>34,644</u>	<u>27,072</u>
Non-current assets classified as held for sale	18	4,710	–	–	–
		<u>54,843</u>	<u>53,726</u>	<u>34,644</u>	<u>27,072</u>
Total assets		<u>121,063</u>	<u>131,346</u>	<u>55,545</u>	<u>68,234</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	19	47,034	46,780	41,064	40,810
Treasury shares	19A	(495)	(431)	(495)	(431)
Retained earnings		7,360	12,748	7,866	12,910
Other reserves	21	516	336	343	183
Equity, attributable to owners of the Company		<u>54,415</u>	<u>59,433</u>	<u>48,778</u>	<u>53,472</u>
Non-controlling interests		(2,775)	(845)	–	–
Total equity		<u>51,640</u>	<u>58,588</u>	<u>48,778</u>	<u>53,472</u>
Non-current liabilities					
Deferred membership income	22	43,936	48,070	–	–
Deferred tax liabilities	9C	5,611	4,114	–	–
Loans from non-controlling interests	23	–	4,210	–	–
Bank borrowing	24	1,029	1,360	–	–
		<u>50,576</u>	<u>57,754</u>	<u>–</u>	<u>–</u>
Current liabilities					
Trade and other payables	25	9,657	11,143	304	340
Amount due to related companies	16	25	114	–	–
Loan from a subsidiary	26	–	–	6,450	14,390
Loans from non-controlling interests	23	5,224	–	–	–
Bank borrowing	24	361	119	–	–
Income tax payable		13	31	13	32
Deferred membership income	22	3,567	3,597	–	–
		<u>18,847</u>	<u>15,004</u>	<u>6,767</u>	<u>14,762</u>
Total liabilities		<u>69,423</u>	<u>72,758</u>	<u>6,767</u>	<u>14,762</u>
Total equity and liabilities		<u>121,063</u>	<u>131,346</u>	<u>55,545</u>	<u>68,234</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2021

<u>Group</u>	<u>Total equity</u> \$'000	<u>Attributable sub-total</u> \$'000	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Treasury shares</u> \$'000	<u>Other reserves</u> \$'000	<u>Non-controlling interests</u> \$'000
Current year:							
Balance at 1 January 2021	58,588	59,433	46,780	12,748	(431)	336	(845)
Profit/(loss) for the year	2,979	4,921	–	4,921	–	–	(1,942)
<u>Other comprehensive income</u>							
Foreign currency translation gain	32	20	–	–	–	20	12
Total comprehensive income for the year	<u>3,011</u>	<u>4,941</u>	<u>–</u>	<u>4,921</u>	<u>–</u>	<u>20</u>	<u>(1,930)</u>
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares (Note 10)	(10,309)	(10,309)	–	(10,309)	–	–	–
Share-based payment expense (Note 20)	210	210	–	–	–	210	–
Purchase of treasury shares (Note 19A)	(64)	(64)	–	–	(64)	–	–
Issuance of shares pursuant to the exercise of employee share options	204	204	254	–	–	(50)	–
Total contributions by and distributions to owners	<u>(9,959)</u>	<u>(9,959)</u>	<u>254</u>	<u>(10,309)</u>	<u>(64)</u>	<u>160</u>	<u>–</u>
Balance at 31 December 2021	<u>51,640</u>	<u>54,415</u>	<u>47,034</u>	<u>7,360</u>	<u>(495)</u>	<u>516</u>	<u>(2,775)</u>

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2021

<u>Group</u>	<u>Total equity</u> \$'000	<u>Attributable to owners of the Company sub-total</u> \$'000	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Treasury shares</u> \$'000	<u>Other reserves</u> \$'000	<u>Non-controlling interests</u> \$'000
Previous year:							
Balance at 1 January 2020	58,218	58,286	46,780	11,293	–	213	(68)
Profit/(loss) for the year	2,407	3,184	–	3,184	–	–	(777)
<u>Other comprehensive income</u>							
Foreign currency translation loss	(1)	(1)	–	–	–	(1)	–
Total comprehensive income for the year	<u>2,406</u>	<u>3,183</u>	<u>–</u>	<u>3,184</u>	<u>–</u>	<u>(1)</u>	<u>(777)</u>
<u>Contributions by and distribution to owners</u>							
Dividends on ordinary shares (Note 10)	(1,729)	(1,729)	–	(1,729)	–	–	–
Share-based payment expense (Note 20)	124	124	–	–	–	124	–
Purchase of treasury shares (Note 19A)	(431)	(431)	–	–	(431)	–	–
Total contributions by and distributions to owners	<u>(2,036)</u>	<u>(2,036)</u>	<u>–</u>	<u>(1,729)</u>	<u>(431)</u>	<u>124</u>	<u>–</u>
Balance at 31 December 2020	<u>58,588</u>	<u>59,433</u>	<u>46,780</u>	<u>12,748</u>	<u>(431)</u>	<u>336</u>	<u>(845)</u>

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2021

<u>Company</u>	<u>Total equity</u> \$'000	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Treasury shares</u> \$'000	<u>Other reserves</u> \$'000
Current year:					
Balance at 1 January 2021	53,472	40,810	12,910	(431)	183
Total comprehensive income for the year	5,265	–	5,265	–	–
<u>Contributions by and distributions to owners</u>					
Dividends on ordinary shares (Note 10)	(10,309)	–	(10,309)	–	–
Share-based payment expense (Note 20)	210	–	–	–	210
Purchase of treasury shares (Note 19A)	(64)	–	–	(64)	–
Issuance of shares pursuant to the exercise of employee share options	204	254	–	–	(50)
Total contributions by and distributions to owners	(9,959)	254	(10,309)	(64)	160
Balance at 31 December 2021	48,778	41,064	7,866	(495)	343
Previous year:					
Balance at 1 January 2020	55,835	40,810	14,966	–	59
Total comprehensive income for the year	(327)	–	(327)	–	–
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares (Note 10)	(1,729)	–	(1,729)	–	–
Share-based payment expense (Note 20)	124	–	–	–	124
Purchase of treasury shares (Note 19A)	(431)	–	–	(431)	–
Total contributions by and distributions to owners	(2,036)	–	(1,729)	(431)	124
Balance at 31 December 2020	53,472	40,810	12,910	(431)	183

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2021

	<u>2021</u> \$'000	<u>Group</u> <u>2020</u> \$'000
<u>Cash flows from operating activities</u>		
Profit before income tax	4,502	3,624
Adjustments for:		
Depreciation of property, plant and equipment	5,678	6,132
Deferred membership income recognised (Note 22)	(4,276)	(4,679)
Gain on disposal of property, plant and equipment	–	(28)
Property, plant and equipment written off	142	1,020
Impairment of property, plant and equipment (Note 8A)	2,790	–
Interest expense	248	214
Interest income	(163)	(277)
Share-based payment expense	210	124
Foreign exchange adjustment unrealised losses	70	5
Operating cash flows before changes in working capital	9,201	6,135
(Increase)/decrease in inventories	(52)	23
(Increase)/decrease in trade and other receivables	(40)	774
Decrease in prepayments	58	17
(Increase)/decrease in amounts due from related companies	(46)	46
(Decrease)/increase in amounts due to related companies	(89)	44
(Decrease)/increase in trade and other payables	(1,501)	1,740
Increase in deferred membership income	112	502
Cash flows generated from operations	7,643	9,281
Interest paid	(24)	(5)
Interest received	163	277
Income tax paid	(44)	(37)
Net cash flows generated from operating activities	7,738	9,516
<u>Cash flows from investing activities</u>		
Disposal of property, plant and equipment	–	28
Purchase of property, plant and equipment (Note 12/ 17A)	(1,995)	(6,620)
Net cash flows used in investing activities	(1,995)	(6,592)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2021

	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Cash flows from financing activities</u>		
Purchase of treasury shares	(64)	(431)
Dividends paid on ordinary shares	(10,309)	(1,729)
Loans from non-controlling interests	842	–
Proceeds from issuance of shares pursuant to the exercise of employee share options	204	–
(Repayment)/proceeds from bank borrowing	(89)	1,479
Net cash flows used in financing activities	<u>(9,416)</u>	<u>(681)</u>
Net (decrease)/increase in cash and cash equivalents	(3,673)	2,243
Cash and cash equivalents, statement of cash flows, beginning balance	<u>50,372</u>	<u>48,129</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note 17)	<u>46,699</u>	<u>50,372</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

1. General

The Company is a limited liability company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are presented in Singapore dollars ("S\$'000") and they cover the Company and its subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are those of investment holding and provision of management services.

The principal activities of the subsidiaries are described in the notes to financial statements below.

The registered office is: 100J Pasir Panjang Road #05-00 SUTL House Singapore 118525.

Uncertainties relating to the Covid-19 pandemic

The Covid-19 pandemic and the aftermath of the pandemic has had, or may have, an impact on the reporting entity based on known information that extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the reporting entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the reporting entity unfavourably as at the reporting date or subsequently as a result of the pandemic.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I)") and the related interpretations to SFRS (I) ("SFRS (I) INT").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

1. General (cont'd)

Basis of preparation of the financial statements

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

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.

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.

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. If a member is to terminate the membership before the end of the membership tenure, the deferred membership income pertaining to the membership will be recognised in full in the year of termination.

Transfer fee – Transfer fee is recognised upon transfer of membership.

Management fee – Management fee is recognised as and when services are provided.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

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.

Employee benefits

- 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.

- 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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Presentation currency

The financial statements are presented in Singapore Dollars ("S\$"), 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.

Foreign currency 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.

Translation of financial statements of foreign operations

Each foreign operations determine the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss, unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss, the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for leasehold improvements and certain leased assets, the shorter lease term). The annual rates of depreciation are 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
Construction in progress	–	Not depreciated until the asset is ready for intended use

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

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.

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity 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. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary 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. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets (cont'd)

At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset /liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Provisions

A liability or provision is recognised when there is 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 a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgments, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Reclassification of and write-down on non-current assets to assets held for sale:

Identifiable assets are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and if the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by the financial reporting standard on non-current assets held for sale and discontinued operations, in certain circumstances. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement. The carrying amount is disclosed in Note 18 on non-current assets classified as held for sale.

Assessment of impairment of trade receivables:

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped into two categories, being corporate and individual debtors, based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. In addition, for the larger amounts with customers, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 15 on trade and other receivables.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the assets at the end of the reporting year affected by the assumption is \$66,220,000 (2020: \$77,620,000).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group:

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
SUTL Global Pte. Ltd.	Holding company	Singapore

Related companies in these financial statements include the subsidiaries of the above company.

The ultimate controlling party is Tay Teng Guan Arthur, a director and controlling shareholder of the Company.

3B. Related company transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
<u>Related companies</u>		
Sales of goods and services	830	702
Purchase of goods and services	(410)	(269)
Management fee income	—	110
	<u> </u>	<u> </u>

3C. Key management compensation:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Salaries and other short-term employee benefits	1,590	1,450
Share-based payments expense	201	116
	<u>1,791</u>	<u>1,566</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

3. Related party relationships and transactions (cont'd)

3C. Key management compensation: (cont'd)

The above amounts are included under employee benefits expense. Included in the above are the following items:

	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Group:</u>		
Remuneration of the directors	456	345
Directors' fees	247	253
Share-based payments expense of the directors	<u>104</u>	<u>68</u>

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The above amounts do not include compensation, if any of, certain key management personnel and directors of the Company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

4. Financial information by operating segments

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

4A. 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.

4B. Geographical information

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

	<u>Singapore</u>		<u>Malaysia</u>		<u>Total</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
Revenue	31,559	26,703	323	332	31,882	27,035
Non-current assets	66,210	70,137	10	7,483	66,220	77,620
Capital expenditure	<u>1,358</u>	<u>4,751</u>	<u>637</u>	<u>1,894</u>	<u>2,010</u>	<u>6,645</u>

4C. Information about major customer

There are no customers with revenue transactions of over 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

5. Revenue

Revenue from contracts with customers

A. Revenue classified by primary geographical market:

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
<u>Primary geographical market</u>		
Singapore	31,559	26,703
Malaysia	323	332
	<u>31,882</u>	<u>27,035</u>

B. Revenue classified by timing of revenue recognition:

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Point in time	21,743	15,913
Over time	10,139	11,122
	<u>31,882</u>	<u>27,035</u>

6. Other income

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Bad debts recovered	80	–
Government grants	796	1,115
Interest income	163	277
Income on insurance claims	–	280
Others	242	147
	<u>1,281</u>	<u>1,819</u>

Included in government grants above are \$724,000 (2020: \$535,000) in respect of the Jobs Support Scheme in Singapore. This scheme was introduced to help enterprises retain local employees during the Covid-19 pandemic.

7. Employee benefits expense

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Wages, salaries and bonuses	9,036	7,928
Contributions to defined contribution plans	996	892
Other benefits	916	1,075
	<u>10,948</u>	<u>9,895</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

8. Items in statement of comprehensive income

In addition to the profit or loss line items disclosed elsewhere in the notes to the financial statements, the statement of comprehensive income includes the following expenses and income:

	<u>2021</u> \$'000	<u>Group</u> <u>2020</u> \$'000
Maintenance expenses	1,191	1,282
Professional fees and insurance fees	338	340
Interest expense on loans from non-controlling interests	224	214
Share-based payment expense	210	123
Fees paid/payables to the auditor of the Company		
- Audit fees	99	132
- Non-audit fees	7	47
Audit fees paid/payable to a member firm of the auditor of the Company	15	–
Foreign exchange loss	86	19
Expenses relating to short-term lease	44	62
Gain on disposal of property, plant and equipment	–	(28)
	<u> </u>	<u> </u>

8A. Other expenses

The major components include the following:

	<u>2021</u> \$'000	<u>Group</u> <u>2020</u> \$'000
Property, plant and equipment written off	142	1,020
Allowance for impairment of property, plant and equipment (Note 18)	2,790	–
	<u> </u>	<u> </u>

9. Income tax expense

9A. Components of tax expense recognised in statement of comprehensive income include:

	<u>2021</u> \$'000	<u>Group</u> <u>2020</u> \$'000
<u>Current tax expense:</u>		
Current tax expense	21	13
Under/(over) adjustments in respect of prior years	5	(11)
	<u> </u>	<u> </u>
	26	2
 <u>Deferred tax expense:</u>		
Deferred tax expense	1,497	1,226
Over adjustments in respect of prior years	–	(11)
	<u> </u>	<u> </u>
	1,497	1,215
	<u> </u>	<u> </u>
	1,523	1,217

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

9. Income tax expense (cont'd)

9A. Components of tax expense recognised in statement of comprehensive income include (cont'd)

The income tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax of 17% (2020: 17%) as follows:

	Group	
	2021	2020
	\$'000	\$'000
Profit before income tax	4,502	3,624
Income tax expense at the above rate	765	616
Expenses not deductible for tax purposes	391	754
Income not subject to tax	(156)	(155)
Deferred tax assets not recognised	1,083	395
Under/(over) adjustments to tax in respect of prior periods	5	(150)
Effect of partial tax exemption and tax relief	(32)	(150)
Effect of different tax rates in different countries	(490)	(136)
Others	(43)	43
	<u>1,523</u>	<u>1,217</u>

9B. Deferred tax expense recognised in statement of comprehensive income includes:

	Group	
	2021	2020
	\$'000	\$'000
Excess of book over tax depreciation on plant and equipment	(272)	(454)
Deferred membership income	1,820	1,702
Tax loss carryforwards	1,083	395
Unrecognised deferred tax assets	(1,083)	(395)
Others	(51)	(33)
	<u>1,497</u>	<u>1,215</u>

9C. Deferred tax balance in the statement of financial position:

	Group	
	2021	2020
	\$'000	\$'000
<u>Deferred tax liabilities:</u>		
Excess of net book value of plant and equipment over tax values	(9,996)	(10,268)
	<u>(9,996)</u>	<u>(10,268)</u>
<u>Deferred tax assets:</u>		
Deferred membership income	4,298	6,118
Tax loss carryforwards	1,592	509
Unrecognised deferred tax assets	(1,592)	(509)
Others	87	36
	<u>4,385</u>	<u>6,154</u>
	<u>(5,611)</u>	<u>(4,114)</u>

There are no income tax consequences of dividends to owner of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

9. Income tax expense (cont'd)

9C. Deferred tax balance in the statement of financial position: (cont'd)

Included in unrecognised deferred tax assets are tax losses that will expire as follows:

<u>Unrecognised deferred tax assets:</u>	<u>Tax losses</u>		<u>Unrecognised deferred tax assets</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Expiring in year	\$'000	\$'000	\$'000	\$'000
2026	850	850	145	145
2027	1,146	1,146	195	195
2028	6,245	–	1,061	–
No expiry	1,124	997	191	169
	<u>9,365</u>	<u>2,993</u>	<u>1,592</u>	<u>509</u>

10. Dividends on equity shares

	<u>Rate per share - cents</u>		<u>2021</u>	<u>2020</u>
	<u>2021</u>	<u>2020</u>		
			\$'000	\$'000
<u>Declared and paid during the financial year:</u>				
Final tax-exempt dividend	2	2	1,711	1,729
Interim tax-exempt dividend	10	–	8,598	–
Total dividends in the year	<u>12</u>	<u>2</u>	<u>10,309</u>	<u>1,729</u>

The directors have proposed that a final dividend of 2 cents per share with a total of \$1,720,000 be paid to shareholders after the annual general meeting. There are no income tax consequences on the reporting entity. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

11. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
<u>Basic EPS</u>		
Profit, attributable to owners of the parent, net of tax (\$'000)	4,921	3,184
Weighted average number of ordinary shares for basic earnings per share computation	85,681,735	86,374,000
Basic earnings per share (cents)	<u>5.74</u>	<u>3.69</u>
<u>Diluted EPS</u>		
Profit, attributable to owners of the parent, net of tax (\$'000)	4,921	3,184
Weighted average number of ordinary shares for basic earnings per share computation	85,681,735	86,374,000
Add: Potential dilutive shares from share option scheme	298,412	17,007
Weighted average number of ordinary shares for diluted earnings per share computation	85,980,147	86,391,007
Diluted earnings per share (cents)	<u>5.72</u>	<u>3.69</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

11. Earnings per share (cont'd)

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

2,260,000 (2020: 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

Year Ended 31 December 2021

12. Property, plant and equipment

Group	Leasehold land \$'000	Freehold land \$'000	Leasehold building \$'000	Renovations \$'000	Furniture and fittings \$'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
Cost:													
At 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
Written off	–	–	–	(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)
At 31 December 2020	32,476	3,546	64,753	3,848	345	436	75	297	553	500	1,840	8,544	117,213
Additions	–	–	–	169	38	55	–	–	803	57	494	394	2,010
Written off	–	–	–	(266)	(1)	–	–	–	–	–	(1)	–	(268)
Reclassifications	–	–	–	(44)	2	–	–	–	6,532	–	3	(6,493)	–
Currency realignment	–	(45)	–	(6)	(3)	–	(1)	(1)	(3)	(2)	(34)	(26)	(121)
Transfer to held for sale	–	(3,501)	–	(159)	(265)	(8)	–	(17)	(331)	(184)	(1,008)	(206)	(5,679)
At 31 December 2021	32,476	–	64,753	3,542	116	483	74	279	7,554	371	1,294	2,213	113,155
Accumulated depreciation and impairment loss:													
At 1 January 2020	9,547	–	22,017	1,839	2,520	2,152	22	470	13,552	2,280	993	–	55,392
Depreciation for the year	1,531	–	3,062	505	101	88	32	36	440	123	214	–	6,132
Written off	–	–	–	(27)	(2,570)	(1,923)	–	(388)	(13,909)	(2,206)	(799)	–	(21,822)
Disposals	–	–	–	–	–	(2)	–	(24)	–	–	(84)	–	(110)
Currency realignment	–	–	–	–	–	–	–	–	–	–	1	–	1
At 31 December 2020	11,078	–	25,079	2,317	51	315	54	94	83	197	325	–	39,593
Depreciation for the year	1,524	–	2,616	415	68	48	34	36	485	94	358	–	5,678
Impairment loss	–	262	9	–	19	–	–	5	231	48	–	2,216	2,790
Written off	–	–	–	(124)	(1)	–	–	–	–	–	(1)	–	(126)
Currency realignment	–	–	–	–	–	–	(45)	–	–	–	17	(3)	(31)
Transfer to held for sale	–	(262)	–	(41)	(103)	(3)	–	(16)	(220)	(113)	(211)	–	(969)
At 31 December 2021	12,602	–	27,704	2,567	34	360	43	119	579	226	488	2,213	46,935
Carrying value:													
At 1 January 2020	22,929	3,349	42,736	2,012	237	239	49	247	1,331	410	586	4,006	78,131
At 31 December 2020	21,398	3,546	39,674	1,531	294	121	21	203	470	303	1,515	8,544	77,620
At 31 December 2021	19,874	–	37,049	975	82	123	31	160	6,975	145	806	–	66,220

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

13. Investments in subsidiaries

	<u>Company</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Unquoted equity shares at cost	17,593	17,593
Long term advances to a subsidiary	9,871	23,569
Allowance for impairment	<u>(6,563)</u>	<u>–</u>
	<u>20,901</u>	<u>41,162</u>
 <u>Movements in unquoted equity shares:</u>		
At the beginning of the year	17,593	17,593
Allowance for impairment	<u>(178)</u>	<u>–</u>
At the end of the year	<u>17,415</u>	<u>17,593</u>
 <u>Movements in long term advances to a subsidiary:</u>		
At the beginning of the year	23,569	8,568
Additions	1,302	15,001
Repayment	<u>(15,000)</u>	
Allowance for impairment	<u>(6,385)</u>	<u>–</u>
At the end of the year	<u>3,486</u>	<u>23,569</u>

The impairment allowance during the year arose as a result of the intended closure of the membership program and the related divestment of assets relating to the Group's investment in Sarandra Malaysia Sdn Bhd and its subsidiaries. Refer to Note 18.

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.

The subsidiaries held by the Company are listed below:

<u>Name of subsidiaries, country of incorporation, place of operations and principal activities</u>	<u>Cost of investment</u>		<u>Effective percentage of equity held</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	%	%
<u>Held by SUTL Enterprise Limited</u>				
SUTL Marina Development Pte. Ltd. ⁽¹⁾ (Singapore) Operating and maintaining a marina and its annexes ("One°15 Marina Club")	17,328	17,328	100	100
ONE15 Luxury Yachting Pte. Ltd. ⁽¹⁾ (Singapore) Yacht chartering	87	87	100	100
One15 Marina Holdings Pte. Ltd. ⁽¹⁾ (Singapore) Investment holding	#	#	100	100

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

13. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Effective percentage of equity held	
	2021 \$'000	2020 \$'000	2021 %	2020 %
<u>Held by SUTL Enterprise Limited (cont'd)</u>				
ONE15 Management and Technical Services Pte. Ltd. ⁽¹⁾ (Singapore) Provision of business and management consultancy services and provision of management and technical services for marina activities	178	178	100	100
	17,593	17,593		
Name of subsidiaries, country of incorporation, place of operations and principal activities			Effective percentage of equity held	
			2021 %	2020 %
<u>Held through One15 Marina Holdings Pte. Ltd.</u>				
Sarandra Malaysia Sdn Bhd ⁽²⁾ (Malaysia) Investment holding			60	60
SUTL Marina Holdings Sdn Bhd ⁽³⁾ (Malaysia) Investment holding			100	100
One15 Events Management Pte. Ltd. ⁽¹⁾ (Singapore) Event and concert organiser			100	100
<u>Held through Sarandra Malaysia Sdn Bhd</u>				
One15 Marina Development Bhd ⁽²⁾ (Malaysia) Construct, develop and manage a marina, marina club, hotel, recreation centre and other facilities			60	60
One15 Marina Management Sdn Bhd ⁽²⁾ (Malaysia) Managing and developing marina club, and development of building projects for own operation.			60	60
<u>Held through One15 Events Management Pte. Ltd.</u>				
One15 Events Management (Haikou) Ltd ⁽³⁾ (People's Republic of China) Marina, yachting and sports event planning and organising.			100	100

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

13. Investments in subsidiaries (cont'd)

- (1) Audited by RSM Chio Lim LLP.
 - (2) Audited by a member of RSM International of which RSM Chio Lim LLP in Singapore is a member.
 - (3) Non-material subsidiary that is not required to be audited under the laws of its country of incorporation.
- # Amount is less than \$1,000.

As at 31 December 2021, the Group has the following subsidiaries that have NCI that are material to the Group:

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Proportion of ownership interest held by NCI</u>	<u>Loss allocated to NCI during the reporting period</u> \$'000	<u>Other comprehensive income allocated to NCI during the reporting period</u> \$'000	<u>Accumulated NCI at the end of the reporting period</u> \$'000
<u>31 December 2021</u> Sarandra Malaysia Sdn Bhd and its subsidiaries	Malaysia	40%	(1,942)	12	(2,775)
<u>31 December 2020</u> Sarandra Malaysia Sdn Bhd and its subsidiaries	Malaysia	40%	(777)	–	(845)

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.

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

Summarised Statement of Financial Position:

	<u>Sarandra Malaysia Sdn Bhd and its subsidiaries</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Current assets	8,825	4,395
Current liabilities	(6,902)	(7,822)
Net current assets/(liabilities)	1,923	(3,427)
Non-current assets	9	7,487
Non-current liabilities	(8,880)	(6,181)
Net liabilities	(6,948)	(2,121)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

13. Investments in subsidiaries (cont'd)

Summarised Statement of Comprehensive Income:

	Sarandra Malaysia Sdn Bhd and its subsidiaries	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Revenue	336	332
Loss for the year	(4,854)	(1,943)
Other comprehensive income for the year	32	–
Total comprehensive loss for the year	<u>(4,822)</u>	<u>(1,943)</u>

Other summarised information:

	Sarandra Malaysia Sdn Bhd and its subsidiaries	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Net cash flows used in operations	<u>(1,288)</u>	<u>(1,464)</u>
Net cash flows generated from financing activities	<u>2,453</u>	<u>402</u>
Net cash flows used in investing activities	<u>(637)</u>	<u>(1,872)</u>

14. Inventories

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Food and beverage	131	91
Sundry stores and others	40	28
	<u>171</u>	<u>119</u>
Inventories recognised as an expense in cost of sales	<u>2,061</u>	<u>1,497</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

15. Trade and other receivables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Trade receivables:</u>				
Trade receivables	2,970	2,740	–	–
Less: allowance for impairment	(425)	(604)	–	–
Net trade receivables – subtotal	<u>2,545</u>	<u>2,136</u>	<u>–</u>	<u>–</u>
<u>Other receivables:</u>				
Other receivables	3,001	3,309	2,987	2,979
Less: allowance for impairment #a	(2,963)	(2,979)	(2,963)	(2,979)
Refundable deposits	227	304	1	1
Net other receivables – subtotal	<u>265</u>	<u>634</u>	<u>25</u>	<u>1</u>
Total trade and other receivables	<u>2,810</u>	<u>2,770</u>	<u>25</u>	<u>1</u>
<u>Movements in the above allowance on trade receivables:</u>				
At the beginning of the year	604	764	–	–
Allowance for the year	184	554	–	–
Write-off of allowance for doubtful debts	(401)	(714)	–	–
Currency realignment	38	–	–	–
At the end of the year	<u>425</u>	<u>604</u>	<u>–</u>	<u>–</u>
<u>Movements in the above allowance on other receivables:</u>				
At the beginning of the year	2,979	2,813	2,979	2,813
(Write-back)/allowance for the year	(81)	221	(81)	221
Currency realignment	65	(55)	65	(55)
At the end of the year	<u>2,963</u>	<u>2,979</u>	<u>2,963</u>	<u>2,979</u>

#a During the year ended 31 December 2014, in connection with the disposal of non-controlling interests 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 the trade debts to Other Receivables. Accordingly, the allowance for doubtful receivables had also been reassigned to the Company.

The expected credit losses (“ECL”) on the above trade receivables are based on two categories, being corporate and individual debtors. ECL is computed based on shared credit risk characteristics and the days past due. The allowance matrix is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the Covid-19 pandemic. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

15. Trade and other receivables (cont'd)

The ageing of the assets are as follows:

Group	Gross amount		Loss allowance	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables:				
Within due date	2,175	1,578	102	18
1 to 30 days past due	263	272	3	8
31 to 90 days past due	197	139	8	8
Over 90 days past due	335	751	312	570
	<u>2,970</u>	<u>2,740</u>	<u>425</u>	<u>604</u>

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

There is no concentration of credit risk with respect to trade receivables, as there are a large number of customers.

The other receivables shown above are also subject to the ECL allowance assessment under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of expected 12 month expected credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on modified cash flows). Adjustments to the loss allowance is made for any increase or decrease in credit risk. At each reporting date the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the Covid-19 pandemic).

16. 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.

17. Cash and cash equivalents

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fixed deposits	6,476	2,541	6,476	2,541
Cash at bank and on hand #a	40,223	47,831	28,059	24,430
	<u>46,699</u>	<u>50,372</u>	<u>34,535</u>	<u>26,971</u>

The interest earning balances are not significant.

#a Included in cash at bank and on hand is \$701,000 (2020: \$335,000) in respect of restricted bank deposits held for the marina development project relating to the Group's membership program in ONE°15 Marina Puteri Harbour, located in Malaysia.

17A. Non-cash transactions:

There was purchase of certain assets under property, plant and equipment under not paid as at financial year end amounting to \$15,000 (2020: \$25,000).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

17. Cash and cash equivalents (cont'd)

17B. Reconciliation of liabilities arising from financing activities:

	<u>2020</u> \$'000	<u>Cash flows</u> \$'000	<u>Non-cash</u> <u>changes</u> \$'000	<u>2021</u> \$'000
Bank borrowing	1,479	(89)	–	1,390
Loans from non-controlling interests	4,210	842	172 (a)	5,224
				<hr/>
	<u>2019</u> \$'000	<u>Cash flows</u> \$'000	<u>Non-cash</u> <u>changes</u> \$'000	<u>2020</u> \$'000
Bank borrowing	–	1,479	–	1,479
Loans from non-controlling interests	3,996	–	214 (a)	4,210
				<hr/>

(a) Accretion of interest and foreign exchange movements.

Lease liabilities as at 31 December 2021 and 2020 were not significant.

18. Non-current assets classified as held for sale

	<u>Group</u> <u>2021</u> \$'000
Property, plant and equipment (Note 12)	<hr/> 4,710

During the financial year, management commenced discussions with the non-controlling interests ("NCI") of Sarandra Malaysia Sdn Bhd and its subsidiaries ("Sarandra Group"), to wind down Sarandra Group's membership program in ONE°15 Puteri Harbour Marina, Malaysia. In connection with these discussions, Sarandra Group had commenced plans to divest its property, plant and equipment relating to the marina, with a sale expected to be completed within 12 months from the reporting year end date.

The property, plant and equipment have been re-classified as held for sale as required by the financial reporting standard on Non-current Assets Held for Sale and Discontinued Operations at the end of the reporting year. It mainly comprises of freehold land.

Impairment loss of \$2,790,000 arose as a result of write-downs of the property, plant and equipment re-classified as held for sale to the lower of their carrying amounts and their fair values less costs to sell. These have been included in "Other expenses".

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

19. Share capital

	<u>Group</u>	
	Number of shares <u>issued</u> '000	Share <u>capital</u> \$'000
<u>Ordinary share of no par value</u>		
At the beginning of the year 1 January 2020 and end of the year 31 December 2020	86,461	46,780
Issuance of shares pursuant to the exercise of share options	<u>537</u>	<u>254</u>
At the end of the year 31 December 2021	<u><u>86,998</u></u>	<u><u>47,034</u></u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

	<u>Company</u>	
	Number of shares <u>issued</u> '000	Share <u>capital</u> \$'000
<u>Ordinary share of no par value</u>		
At the beginning of the year 1 January 2020 and end of the year 31 December 2020	86,461	40,810
Issuance of shares pursuant to the exercise of share options	<u>537</u>	<u>254</u>
At the end of the year 31 December 2021	<u><u>86,998</u></u>	<u><u>41,064</u></u>

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange, the Company has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

19. Share capital (cont'd)

19A. Treasury shares

Under the mandate approved at the last annual general meeting, 122,000 (2020: 900,000) treasury shares were acquired during the reporting year on the Singapore Stock Exchange for a consideration of \$64,891 (2020: \$431,000).

	<u>Number of treasury shares</u>		<u>Fair value</u>	
	<u>2021</u> <u>'000</u>	<u>2020</u> <u>'000</u>	<u>2021</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>
<u>Group and Company</u>				
At the beginning of the year 1 January	900	–	431	–
Treasury shares purchased	122	900	64	431
At the end of the year 31 December	<u>1,022</u>	<u>900</u>	<u>495</u>	<u>431</u>

20. 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 was extended for a period of ten years from 29 April 2021 up to and including 28 April 2031.

1,335,000 (2020: 1,125,000) options were granted in the financial year ended 31 December 2021. There were 2,847,500 (2020: 2,050,000) options outstanding at 31 December 2021.

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 2021 for share-based payment was \$210,000 (2020: \$124,000).

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.

	<u>2021</u>		<u>2020</u>	
	<u>Tranche 1</u>	<u>Tranche 2</u>	<u>Tranche 1</u>	<u>Tranche 2</u>
Expected volatility (%)	67.6	79.6	48.2	50.0
Risk-free interest rate (%)	0.87	0.93	0.58	0.64
Expected life of options (years)	4.7	5.2	5.5	6.0
Exercise price (S\$)	0.500	0.500	0.380	0.380
Share price at date of grant (S\$)	<u>0.495</u>	<u>0.495</u>	<u>0.360</u>	<u>0.360</u>

The weighted average fair value of options granted was \$0.22 (2020: \$0.10).

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

21. Other reserves

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Foreign currency translation reserve (Note 21A)	33	13	–	–
Share-based payment reserve (Note 21B)	343	183	343	183
Capital reserves (Note 21C)	140	140	–	–
	<u>516</u>	<u>336</u>	<u>343</u>	<u>183</u>

21A. Foreign currency translation reserve

	Group	
	2021 \$'000	2020 \$'000
At the beginning of the year	13	14
Exchange differences on translating foreign operations	20	(1)
At the end of the year	<u>33</u>	<u>13</u>

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.

21B. Share-based payment reserve

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At the beginning of the year	183	59	183	59
Exercise of share options	(50)	–	(50)	–
Expense recognised in profit or loss	210	124	210	124
At the end of the year	<u>343</u>	<u>183</u>	<u>343</u>	<u>183</u>

Share-based payment reserve represents the equity-settled share options granted to directors and employees (Note 20). 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.

21C. Capital reserves

	Group	
	2021 \$'000	2020 \$'000
At the beginning and end of year	<u>140</u>	<u>140</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

22. Deferred membership income

	Group	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Non-current	43,936	48,070
Current	<u>3,567</u>	<u>3,597</u>
	<u>47,503</u>	<u>51,667</u>
<u>Movement in deferred membership income:</u>		
At the beginning of the year	51,667	55,844
Addition during the year	112	502
Recognised in the statement of comprehensive income	<u>(4,276)</u>	<u>(4,679)</u>
At the end of the year	<u>47,503</u>	<u>51,667</u>
<u>The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting year:</u>		
Expected to be recognised within 1 year	3,575	3,625
Expected to be recognised after 1 year but before 2 years	3,575	3,625
Expected to be recognised after 2 years	<u>40,353</u>	<u>44,417</u>
At the end of the year	<u>47,503</u>	<u>51,667</u>

The deferred membership income relates to the entrance fee consideration received at the inception of membership program from customers for which some of the performance obligations were not fulfilled, and therefore no revenue is recognised in respect of these unfulfilled performance obligations. The Company recognises revenue from the deferred membership income on a straight-line basis over the membership tenure period for which the entrance fee is paid. In the event of termination before the end of the membership tenure period, the remaining entrance fee in deferred membership income will be recognised in full in the year of termination of membership. The above expected revenue to be recognised does not include the expected termination of membership.

23. Loans from non-controlling interests

The loans from non-controlling interests are unsecured, non-trade in nature, bears interest of 5.5% per annum (2020: 5.5% per annum) and repayable on demand. These loans have been reclassified from non-current liability to current liability during the financial year as management expects the loan to be fully settled with the non-controlling interests within one year.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

24. Bank borrowing

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Non-current:</u>		
<u>Loan with floating interest rates:</u>		
Bank loan A (secured) (Note 24A)	1,029	1,360
	<u>1,029</u>	<u>1,360</u>
<u>Current:</u>		
<u>Loan with floating interest rates:</u>		
Bank loan A (secured) (Note 24A)	361	119
	<u>361</u>	<u>119</u>
	<u>1,390</u>	<u>1,479</u>
	<u>2021</u> \$'000	<u>2020</u> \$'000
The non-current portion is repayable as follows:		
Due within 2 to 5 years	<u>1,029</u>	<u>1,360</u>
	<u>2021</u> %	<u>2020</u> %
The range of floating interest rates paid were as follows:		
Bank loan A (secured)	<u>1.7 to 1.8</u>	<u>1.7 to 1.7</u>

The bank loan is secured by corporate guarantees from the Company and Holding company, and is repayable by monthly instalments over the period of 48 months from 9 September 2021.

25. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Trade payables:</u>				
Outside parties	526	831	–	–
Deposits	2,263	2,078	–	–
Accrued operating expenses	1,157	4,218	304	340
Accrued staff costs	1,367	986	–	–
Advances from customers	491	707	–	–
Deferred revenue	1,432	1,568	–	–
GST/SST payables	421	274	–	–
	<u>7,657</u>	<u>10,662</u>	<u>304</u>	<u>340</u>
<u>Other payables:</u>				
Outside parties	1,966	411	–	–
Lease liabilities	34	70	–	–
	<u>2,000</u>	<u>481</u>	<u>–</u>	<u>–</u>
	<u>9,657</u>	<u>11,143</u>	<u>304</u>	<u>340</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

26. Loan from a subsidiary

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

27. Commitments and contingencies

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 2021 amounted to \$648,000 (2020: \$1,282,000).

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

	<u>Group</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Due within one year	488	805
Due within 2 to 5 years	122	648
	<u>610</u>	<u>1,453</u>

Contingent liabilities

	<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Bankers' guarantee in favour of a subsidiary	<u>1,390</u>	<u>1,479</u>

28. Financial instruments: information on financial risks

28A. Categories of financial assets and liabilities

The following table categorises the carrying amounts of financial assets and financial liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Financial assets at amortised cost</u>				
Trade and other receivables	2,810	2,770	25	1
Amounts due from related companies	102	56	80	100
Cash and cash equivalents	46,699	50,372	34,535	26,971
	<u>49,611</u>	<u>53,198</u>	<u>34,640</u>	<u>27,072</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

28. Financial instruments: information on financial risks (cont'd)

28A. Categories of financial assets and liabilities (cont'd)

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Financial liabilities at amortised cost</u>				
Trade and other payables (excluding advances from customers and deferred revenue)	7,734	8,868	304	340
Amounts due to related companies	25	114	–	–
Loan from a subsidiary	–	–	6,450	14,390
Loan from non-controlling interests	5,224	4,210	–	–
Bank borrowing	1,390	1,479	–	–
	<u>14,373</u>	<u>14,671</u>	<u>6,754</u>	<u>14,730</u>

28B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

28C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

28. Financial instruments: information on financial risks (cont'd)

28D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counterparties are entities with acceptable credit ratings. For expected credit losses (“ECL”) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 17 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

28E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

<u>Group</u>	Less than		<u>Total</u>
	<u>1 year</u>	<u>2 – 5 years</u>	
Non-derivative financial liabilities:	\$'000	\$'000	\$'000
<u>2021:</u>			
Trade and other payables	7,734	–	7,734
Amounts due to related companies	25	–	25
Loan from non-controlling interests	5,511	–	5,511
Bank borrowing	385	1,059	1,444
	<u>13,655</u>	<u>1,059</u>	<u>14,714</u>
<u>2020:</u>			
Trade and other payables	8,868	–	8,868
Amounts due to related companies	114	–	114
Loan from non-controlling interests	–	4,442	4,442
Bank borrowing	128	1,412	1,540
	<u>9,110</u>	<u>5,854</u>	<u>14,964</u>

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

28. Financial instruments: information on financial risks (cont'd)

28G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency of the entity in which they arise.

Analysis of amounts denominated in non-functional currency:

<u>Group</u>	US Dollars \$'000
<u>2021</u>	
<u>Financial assets:</u>	
Cash and cash equivalents	611
Trade and other receivables	107
	<u>718</u>
Net financial assets at the end of the year	<u>718</u>
 <u>2020</u>	
<u>Financial assets:</u>	
Cash and cash equivalents	518
Trade and other receivables	19
	<u>537</u>
Net financial assets at the end of the year	<u>537</u>

Sensitivity analysis: The effect on pre-tax provide the table below:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the US\$ with all other variables held constant would have an adverse effect on pre-tax profit of	<u>(72)</u>	<u>(54)</u>

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

29. Events after the end of the financial year

In connection with the Group's decision to reclassify its property, plant and equipment relating to Sarandra Group as held for sale (Note 18), the Group announced on 24 February 2022, its intention to terminate the membership program in ONE°15 Puteri Harbour Marina, Malaysia ("ONE°15 Puteri"). In accordance with the membership prospectus, ONE°15 Puteri will file for winding-up of the membership program. Upon successful termination of the membership program, the Group will seek to sell the assets of ONE°15 Puteri.

30. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>SFRS (I) No.</u>	<u>Title</u>
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting

31. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS (I) No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS (I) 1-1	Classification of Liabilities as Current or Non-current – Amendments to	1 January 2023
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 January 2022
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to	1 January 2022
SFRS (I) 9	Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities (Annual Improvement Project)	1 January 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2021

32. Reclassifications and comparative figures

The financial statements for the reporting year ended 31 December 2020 were audited by other independent auditor (other than RSM Chio Lim LLP) whose report dated 31 March 2021 expressed an unqualified opinion on those financial statements.

Certain splits, regrouping or reclassifications were made in the balances in the financial statements for last year. The material changes in balances include the following:

	<u>After</u> \$'000	<u>Reclassification</u> <u>Before</u> \$'000	<u>Difference</u> \$'000
<u>2020 Statement of financial position</u>			
Income tax payable – current #a	31	2,540	(2,509)
Deferred tax liabilities – non-current #a	<u>4,114</u>	<u>1,605</u>	<u>2,509</u>
<u>2020 Statement of profit or loss</u>			
Sale of goods and services #b	186	732	(546)
Cost of sales #b	<u>–</u>	<u>(546)</u>	<u>546</u>

There are no changes to the total comprehensive income for the financial year ended 31 December 2020 as a result of the reclassifications.

The above splits, regrouping or reclassifications did not require modifications and reclassifications to financial statements measurements. As permitted by the financial reporting standard on the presentation of financial statements the third statement of financial position at the beginning the preceding reporting year is not presented because above splits or regrouping have no material effect on the information in the statement of financial position at the beginning of the preceding period. Apart from these disclosures, other balances and notes are not impacted by the restatements / reclassifications.

#a Reclassification of SUTL Marina Development Pte. Ltd. (“MD”)’s current income tax payable to present it as net of deferred tax assets. This is brought about from overpayment of income tax by MD in prior years. This tax recoverable has been deemed as unutilised tax losses in MD’s income tax assessment, resulting in there being no current income tax payable at the current and prior year end.

#b Reclassification of ONE15 Luxury Yachting Pte. Ltd. (“LY”)’s yacht chartering revenue. This is a result of re-assessment by management to recognise chartering revenue on a Net basis instead of Gross basis.

STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2022

Class of shares	: Ordinary shares
Voting rights	: One vote per ordinary share
Number of treasury shares	: 1,022,200 (1.17%)
Number of subsidiary holdings (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	451	0.00
100 - 1,000	1,165	42.66	555,956	0.65
1001 - 10,000	1,195	43.76	5,330,480	6.20
10,001 - 1,000,000	353	12.92	19,332,936	22.49
1,000,001 and above	7	0.26	60,756,079	70.66
Total	2,731	100.00	85,975,902	100.00

Twenty largest shareholders

<u>No.</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1	SUTL GLOBAL PTE LTD	47,389,942	55.12
2	UOB KAY HIAN PRIVATE LIMITED	3,936,600	4.58
3	PHILLIP SECURITIES PTE LTD	3,355,175	3.90
4	DBS NOMINEES (PRIVATE) LIMITED	2,533,841	2.95
5	RAMESH S/O PRITAMDAS CHANDIRAMANI	1,255,500	1.46
6	HONG LEONG FINANCE NOMINEES PTE LTD	1,222,300	1.42
7	GOH GUAN SIONG (WU YUANXIANG)	1,062,721	1.24
8	OCBC SECURITIES PRIVATE LIMITED	832,000	0.97
9	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	779,200	0.91
10	CITIBANK NOMINEES SINGAPORE PTE LTD	650,800	0.76
11	RAFFLES NOMINEES (PTE.) LIMITED	617,300	0.72
12	MAYBANK KIM ENG SECURITIES PTE. LTD.	555,000	0.65
13	TAN WEY LING	494,600	0.58
14	CHAI CHEE KENG	462,100	0.54
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	458,981	0.53
16	LO JU JIE	422,800	0.49
17	YU MAN-LI	418,000	0.49
18	YEO WEI HUANG	399,300	0.46
19	KGI SECURITIES (SINGAPORE) PTE. LTD.	337,300	0.39
20	HO CHOON KENG	325,000	0.38
	Total	67,508,460	78.54

STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2022

Substantial Shareholders

No	Name	Beneficial interest No. of shares	%	Deemed interest No. of shares	%
1.	SUTL Global Pte. Ltd.	47,389,942	55.12	–	–
2.	Tay Teng Guan Arthur	125,000	0.15	47,389,942	55.12

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

44.73% 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-Eighth Annual General Meeting of SUTL Enterprise Limited will be held by electronic means on 27 April 2022 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 2021 and the Auditors' Report thereon.
(Resolution 1)
2. To declare a final 1-tier tax exempt dividend at 2 cents per ordinary share for the year ended 31 December 2021.
(Resolution 2)
3. To approve the payment of Directors' Fees of S\$246,500 for the year ended 31 December 2021.
(Resolution 3)
4. To re-elect Mr. Eu Yee Ming Richard as Director retiring under Article 114 of the Articles of Association of the Company.
(Resolution 4)
5. To re-elect Mr. Tay Teng Hock as Director retiring under Article 104 of the Articles of Association of the Company.
(Resolution 5)
6. To re-appoint Messrs RSM Chio Lim LLP as the 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 1967 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

NOTICE OF ANNUAL GENERAL MEETING

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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 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 authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Share Option Scheme 2011 (the "Option Scheme") approved by Shareholders in general meeting on 29 April 2011 and extended at the Company's annual general meeting held on 28 April 2021, as may be amended from time to time, and pursuant to Section 161 of the Companies Act 1967 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 (notwithstanding that such allotment and issue may occur after the conclusion of the next or any ensuing Annual General Meeting of the Company), 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 in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST.

(Resolution 8)

- (c) "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 5 April 2022 (being an addendum to this Notice of AGM) (the "Addendum")), in accordance with the "Guidelines on Share Purchases" set out in Appendix A thereof on pages 26 to 29 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

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holdings” has the meaning given to it in the Listing Manual of the SGX-ST.”

(Resolution 9)

(d) “That:

(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-Eighth AGM;
- (2) Number of Shares: 238,000 Shares (comprising approximately 0.28% of the total number of issued Shares and approximately 2.41% 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\$0.48);
- (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 tenth (10th) 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, “Controlling Shareholder”, “Shares”, “Options”, “Date of Grant”, “Exercise Price”, “Exercise Period”, “Twenty-Eighth AGM”, “Latest Practicable Date”, and “Market Price” shall have the same meanings ascribed to them in the Addendum.”

(Resolution 10)

(e) “That:

(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-Eighth AGM;

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- (2) Number of Shares: 100,000 Shares (comprising approximately 0.12% of the total number of issued Shares and approximately 1.01% 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\$0.48);
 - (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 (5th) 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-Eighth AGM”, “Latest Practicable Date”, and “Market Price” shall have the same meanings ascribed to them in the Addendum.”

(Resolution 11)

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

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary
5 April 2022

NOTES:

1. The Twenty-Eighth 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

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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 7 April 2022 at 3.00 p.m. till 24 April 2022 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 1967) (“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 no later than 24 April 2022 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) 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 14 April 2022, being not less than 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,

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in either case, by no later than 3:00 p.m. on 25 April 2022 (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 13 April 2022:**
 - (i) via the Registration Link from 7 April 2022 at 3.00 p.m.;
 - (ii) by email to 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.

The Company will respond to substantial and relevant questions which are received in the manner and by the date and time set out above, and the Company’s response will be published on SGXNET and the Company’s website at <https://www.sutlenterprise.com> by 7:00 p.m. on 21 April 2022 (being 72 hours prior to the closing date and time for the submission of the proxy forms).

In view of the current COVID-19 situation, members are strongly encouraged to submit their questions via the Registration Link or by email.

10. All documents (including the Company’s annual report for the financial year ended 31 December 2021, 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.

EXPLANATORY NOTES:

Resolution 3

Resolution 3 above is to seek approval for the payment of S\$246,500 as Directors’ Fees to the Independent Directors as well as the other Directors on the board for the financial year ended 31 December 2021. The Directors’ Fees for the financial year ended 31 December 2020 was S\$253,409

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for the Independent Directors as well as the other Directors on the board.

Resolution 4

Mr. Eu Yee Ming Richard, the Chairman (Non-Executive) and Independent Director of the Company, if re-elected, will also remain as Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee. Please refer to pages 16, 48 and 49 of the Company's Annual Report for the financial year ended 31 December 2021 for more information.

Resolution 5

Mr. Tay Teng Hock, if re-elected, will remain a Non-Executive Director of the Company. Please refer to pages 18, 49 and 50 of the Company's Annual Report for the financial year ended 31 December 2021 for more information.

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 to offer and grant options and 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.

Resolution 9

Resolution 9 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").

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.

NOTICE OF ANNUAL GENERAL MEETING

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Resolution 10

Resolution 10, 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.

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 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.

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.

Abstention from Voting

Shareholders who are eligible to participate in the Option Scheme shall abstain from voting at the Twenty-Eighth AGM in respect of Resolutions 8, 10 and 11. Save for the Chairman, they shall also decline to accept appointment as proxy for Shareholders to vote on Resolutions 8, 10 and 11. For the Twenty-Eighth AGM, the Chairman will accept appointment as proxy for Shareholders to vote in respect of Resolutions 8, 10 and 11, 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.), will abstain from voting at the Twenty-Eighth AGM in respect of Resolutions 8, 10 and 11.

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-Eighth AGM in respect of Resolutions 8, 10 and 11.

The Company will disregard any votes cast by the abovementioned Shareholders and Directors in respect of Resolutions 8, 10 and 11.

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

NOTICE OF ANNUAL GENERAL MEETING

(Company No: 199307251M)

(Incorporated in the Republic of Singapore)

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 5 April 2022, 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 1967) ("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 14 April 2022, being not less than 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-Eighth Annual General Meeting of the Company ("**AGM**") to be held by electronic means on 27 April 2022 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 2021			
3	Approval of Directors' fees			
4	Re-election of Director – Mr. Eu Yee Ming Richard			

5	Re-election of Director – Mr. Tay Teng Hock			
6	Re-appointment of auditors			
7	Authority to issue and allot shares pursuant to Section 161 of the Companies Act 1967			
8	Authority to offer and grant options, and issue shares, in accordance with the Share Option Scheme 2011			
9	Authority to purchase shares pursuant to the Share Purchase Mandate			
10	To approve the proposed grant of options under the Option Scheme in respect of 238,000 shares to Mr Tay Teng Guan, Arthur, the Chief Executive Officer, who is also an Executive Director and a Controlling Shareholder of the Company			
11	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 2022.

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 2001), 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 14 April 2022, being not less than 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.

in either case, by no later than 3:00 p.m. on 25 April 2022 (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 25 April 2022 (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 5 April 2022.

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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