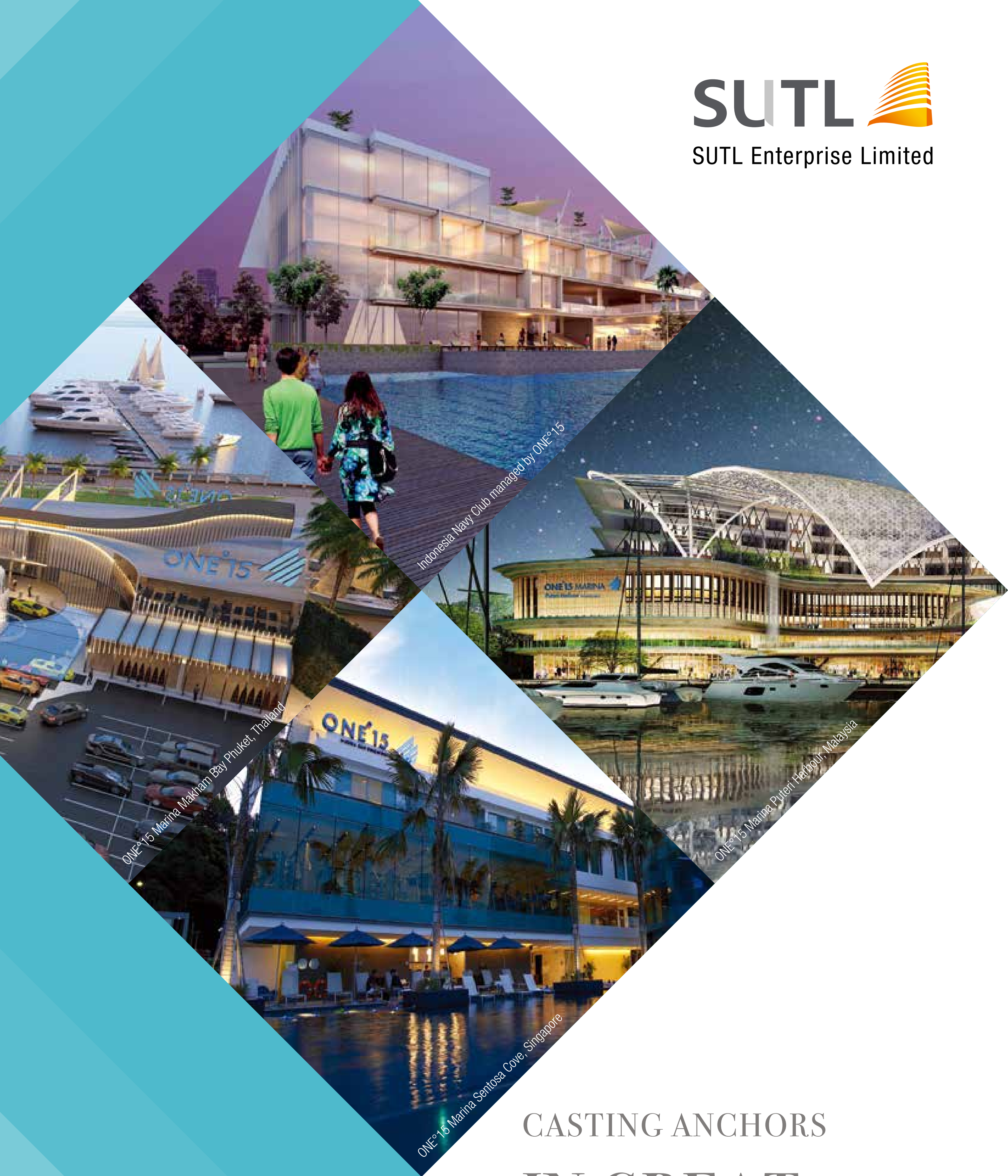
SUTL Enterprise Limited



CASTING ANCHORS IN GREAT DESTINATIONS

ANNUAL REPORT **2017**

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"TO BE THE LEADING, PREMIER INTEGRATED MARINA DEVELOPER"

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 to be 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.

Besides the ONE°15 Marina Sentosa Cove in Singapore which it owns and operates, SUTL Enterprise has expanded its network overseas and currently runs the ONE°15 Marina Brooklyn in New York, USA, under a management contract. Its pipeline of soon-to be completed marinas, which will bear its ONE°15 brand include the Indonesian Navy Club managed by ONE°15 in Jakarta, Indonesia; ONE°15 Marina Guishan in Zhuhai and ONE°15 Marina Taihu Lake in Suzhou, China; and, ONE°15 Marina Makham Bay in Phuket, Thailand. SUTL Enterprise also has an agreement with UEM Sunrise Berhad to incorporate a joint venture company to develop a public marina, a private marina and a superyacht marina in Puteri Harbour of Iskandar Puteri in Iskandar Malaysia, Johor, all to be branded ONE°15.

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

SUTL Group of Companies, which is a privately held lifestyle consumer goods and services conglomerate, holds a 54.81% stake in SUTL Enterprise.

MESSAGE TO SHAREHOLDERS

It was a busy year for the Group as we ramped up our efforts to expand our ONE°15 network of integrated marinas in the region and we have been casting anchors in great destinations. Notably, we gained a stronger foothold and greater influence in China and recently announced an exciting debut in Thailand.

Dear Shareholders,

SUTL Enterprise wrapped up the year ended 31 December 2017 ("FY2017") with a 8% year-on-year increase in net attributable profit to S$4.1 million despite a slight 3% dip in revenue to S$27.3 million.

It was a busy year for the Group as we ramped up our efforts to expand our ONE°15 network of integrated marinas in the region by casting more anchors in great destinations. Notably, we gained a stronger foothold and greater influence in China and Indonesia through some exciting developments during the year.

In September 2017, SUTL Enterprise inked an MOU with the Hainan Cruise & Yacht Association for the exchange of information between the two parties. The Group will lend its expertise and experience to assist in the development and expansion of Hainan Island's yachting, cruising and maritime industry, while at the same time we expect to benefit from the partnership by way of being able to showcase our expertise, which we believe will open doors to more opportunities in China.

In October 2017, SUTL Enterprise secured a 10-year contract for an integrated marina project at Sanshan Island in Taihu Lake, Suzhou, which will bear the iconic ONE°15 brand. The Group will be involved in the conceptualization, design and specifications and pre-opening management of the marina. Post-opening, the Group will manage the day-to-day operations of the marina, the facilities at the marina, as well as club membership sale and related matters.

Just recently in February 2018, we announced that one of our wholly-owned subsidiary had entered into a conditional share sale and purchase agreement ("SPA") to acquire a majority stake in a Thai company, which will be involved in developing and operating a proprietary yacht club in Makham Bay, Phuket, Thailand. When completed, it will bear the ONE°15 brand and feature a 171-berth marina, which can accommodate super-yachts up to 200 feet and 25 hard-stand spaces with 80 dry-stack storage. The parties are currently working towards having the conditions provided in the SPA fulfilled as soon as possible.

The aforementioned developments in FY2017 and early this year have enhanced the robustness of our existing pipeline, which included management contracts secured in FY2016 such as the Indonesian Navy Club managed by ONE°15 and ONE°15 Marina Guishan in Zhuhai, China, further strengthening our foothold in these markets.

Elsewhere, the Group is also currently managing the ONE°15 Brooklyn in New York, USA. Locally in Singapore, we own and manage the ONE°15 Marina Sentosa Cove. Meanwhile our project with our joint venture partner for a superyacht marina, a members-only marina and a public marina in Puteri Harbour, in the Iskandar region of Johor, Malaysia, is underway.

Dividend

To thank shareholders for your patience and confidence in the Group, the Board of Directors has proposed a final cash dividend of 2.0 Singapore cents per ordinary share representing 41.7% of net attributable profit achieved in FY2017. This will be subject to shareholders' approval at our upcoming Annual General Meeting.

"We are cautiously optimistic about the future of the Group given the quality of the marinas in our growing network."

* *Previously known as ONE°15 Marina Pantai Mutiara.*

MESSAGE TO SHAREHOLDERS

Prospects and Strategy

Looking ahead, we are cautiously optimistic about the future of the Group given the quality of the marinas in our growing network. We are fiercely protective of our proprietary ONE°15 brand and we are careful when selecting marinas that will bear our brand. We believe that those in our pipeline will begin to bear fruit when they are completed and become operational and revenue generative.

We remain positive about the prospects of our industry. Rising affluence in the region has led to growing demand for the yachting lifestyle and waterfront living and we believe that more marina infrastructure will be developed along coastal cities as governments acknowledge the positive net economic impact the yachting industry brings to the country. All these will provide support for the industry's growth, which bodes well for our business.

According to an industry report titled "Increasing popularity of yachting as a luxury sport and leisure activity to spur demand for yachting" published in September 2016 by Global Industry Analysts, the global yachting industry is projected to reach US$74 billion by 2022 driven by rising interest in luxury cruising among High Net Worth Individuals in Asia-Pacific and the Middle East. In fact, China is forecasted to register the fastest compound annual growth rate of 8.1% between 2015 and 2022, driven by growing number of wealthy individuals and rising interest in yachting.

The Group's vision is to make our ONE°15 brand synonymous with world class integrated marinas and lifestyle clubs. We have adopted a two-prong growth strategy for the years ahead. For mature markets, we will identify Tier 1 tourist destinations or capital cities with established marinas for potential acquisition and investment. For emerging markets, our approach is to provide consultancy and management services for marina projects being developed by third parties. We believe that this strategy will enable us to increase recognition and visibility for our ONE°15 brand.

We are actively exploring new opportunities and we hope to make the necessary announcements in due course.

Appreciation

In closing, we would like to show our appreciation to various groups who have contributed to our healthy performance in FY2017.

We would like to thank all shareholders and business partners for your unwavering support.

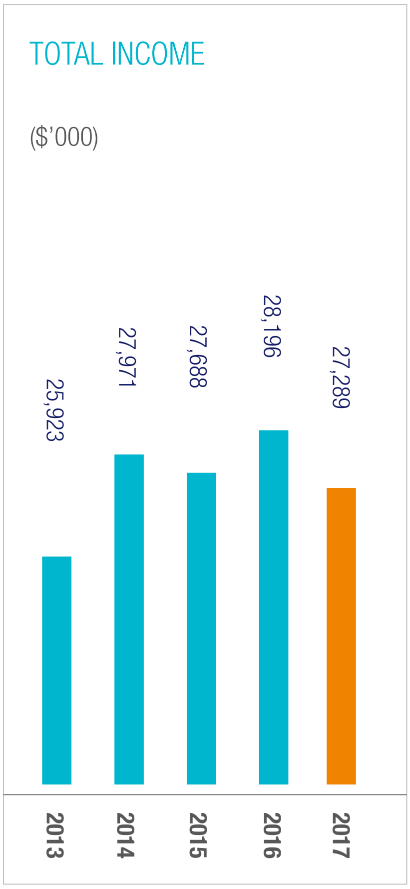
We would also like to thank the management and staff of SUTL Enterprise for your dedication and hard work over the past year that has enabled the Group to achieve optimum operational efficiency.

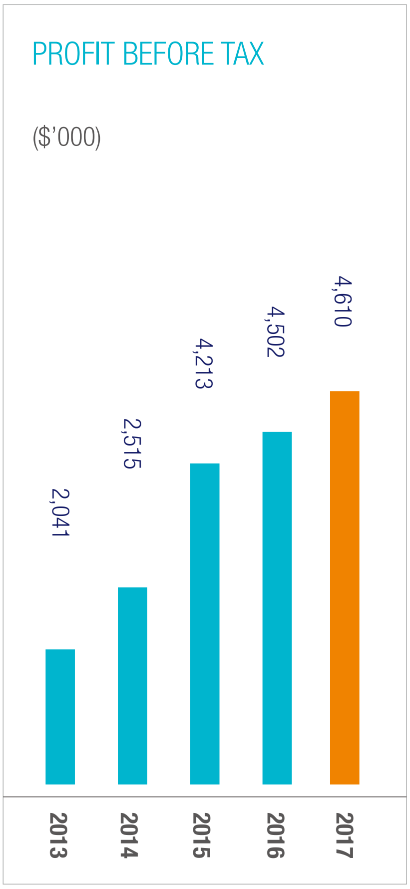
Lastly, we want to thank our fellow Directors on the Board for your careful stewardship of the Group.

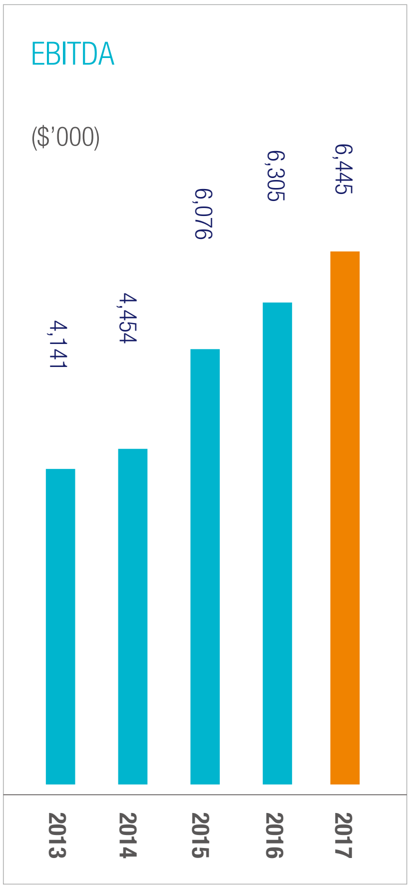
Lew Syn Pau
Non-Executive Chairman

Arthur Tay
Executive Director and Chief Executive Officer

FINANCIAL HIGHLIGHTS







Income Statement

In FY2017, SUTL Enterprise achieved total income of S$27.3 million comprising sales of goods and services of S$19.1 million, membership related fees and management fees of S$7.0 million and other income of S$1.2 million. Although membership related fees and management fees rose a modest 1% year-on-year ("yoy"), sales of goods and services fell 3% and other income fell 27% due to write back of payables in 4Q2017.

Total expenses in FY2017 fell 4% yoy to S$22.7 million mainly due to a decrease in promotional expenses; a reduction of electricity rates and the non-occurrence of a penalty for early termination in FY2016; a realisation of translation loss on disposal of a subsidiary that occurred in 1Q2016; and, a reduction of franchise and professional fees. The Group also enjoyed lower property tax after a property tax revision and lower tax expenses due mainly to tax incentive enjoyed by a subsidiary company.

As a result of the aforementioned, the Group's profit attributable to owners of the company in FY2017 rose 8% to S$4.1 million as compared to S$3.9 million in FY2016.

Financial Position

As at 31 December 2017, the Group's net assets attributable to the Company's shareholders were S$56.7 million, including cash and cash equivalents of $45.1 million. This compares favourably to net assets attributable to the Company's shareholders of S$54.2 million, including cash and cash equivalents of $41.3 million, as at 31 December 2016.

Total assets increased 6% from S$62.3 million as at 31 December 2016 to S$66.1 million as at 31 December 2017. Over the same period, total liabilities also increased 7% to S$8.7 million mainly because of an increase in trade and other payables due to tighter management of trade payables.

Basic earnings per share ("EPS") for the year ended 31 December 2017 was 4.79 Singapore cents per ordinary share as compared to 4.46 Singapore cents per ordinary share for the year 31 December 2016. Net asset value per share ("NAVPS") increased to 65.53 Singapore cents as at 31 December 2017 from 62.71 Singapore cents as at 31 December 2016. The calculation for both EPS and NAVPS was based on a weighted average number of 86,460,602 ordinary shares in issue.

The Group ended the financial year 2017 with zero borrowings.

Cash Flow

The Group's net cash generated from operations in FY2017 was S$6.6 million as compared to S$5.4 million in FY2016. This was mainly due to strong EBITDA.

In FY2017, the Group used S$1.7 million for investing activities. This was due to purchase of equipment.

NAVIGATING TO NEW SHORES

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

BOARD OF DIRECTORS

LEW SYN PAU
Chairman (Non-Executive) and Independent Director

Mr Lew was appointed as Chairman (Non-Executive) in February 2009 and was last re-elected in April 2015. He has been an Independent Director of the Company since April 2000.

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

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

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

ARTHUR TAY TENG GUAN
Executive Director and CEO

Mr Tay is an Executive Director and CEO of the Company and is responsible for the overall management of the Group. He was first appointed as Non-Executive Director in January 2010 and was last re-elected in April 2016. 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. An active philanthropist and grassroots leader, Mr Tay currently serves as Patron for the West Coast Citizens' Consultative Committee. He holds an MBA in Real Estate and Finance.

PETER TAY TENG HOCK
Non-Executive Director

Mr Tay was appointed as Non-Executive Director of the Company in January 2010 and was last re-elected in April 2017.

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 and logistics and warehouse management.

Mr Tay was the project director for the development of ONE°15 Marina Sentosa Cove. He graduated from Heriot-Watt University, Edinburgh, UK with a Bachelor of Engineering.

CHAN KUM TAO
Non-Executive Director

Mr Chan was appointed as Non-Executive Director on 19 January 2010 and was last re-elected in April 2016.

Mr Chan is also the Chief Financial Officer of SUTL Group of Companies. Prior to that he was Chief Financial Officer of A&P Coordinator Pte Ltd, and has held positions as Financial Controller and Internal Auditor within the Alfa Laval Group.

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

NG TECK SIM COLIN
Independent Director

Mr Ng was first appointed as an Independent Director of the company in June 2011 and was last re-elected in April 2017.

Mr Ng is the founding partner of Colin Ng & Partners LLP. He is an advocate and solicitor of the Supreme Court of Singapore. He is a member of the Disciplinary Committee (and Listing Disciplinary Committee) of Singapore Exchange Limited.

Mr Ng graduated with a LLB (Hons) from the National University of Singapore in 1981. He also holds a Master of Business Administration (Accountancy) from Nanyang Technological University.

KEY EXECUTIVES

LONG JEK SUN, JACK
Group General Manager

Mr Long was appointed as our Group General Manager in December 2015. He is responsible for the business strategy and development as well as profitability of our Group. In addition to his responsibilities for SUTL Enterprise, Mr Long is concurrently the Group General Manager of SUTL Group of Companies, managing its Consumer Goods and Leisure divisions since September 2015.

Mr Long has more than 25 years of experience in general management and marketing in real estate and fast moving consumer goods in Singapore, China, Hong Kong, Taiwan and Vietnam with Far East Organization, Keppel Land, Kimberly Clark, F&N and Asia Pacific Breweries. He is a graduate of the National University of Singapore, School of Building & Estate Management.

TAY KUAN WEE, ALEX
Group Business Development Manager

Mr Tay was appointed as the Special Assistant to the CEO in February 2014 and redesignated as Group Business Development Manager in March 2016. He joined SUTL Group of Companies in 2011 after graduation and has held various positions within the company before he joined SUTL Enterprise.

Mr Tay looks after the Group's interests in the areas of business expansion, potential new markets segments as well as the day-to-day operations of the business development function. He is concurrently the Business Development Manager of SUTL Group of Companies.

Mr Tay graduated from the Royal Melbourne Institute of Technology, Australia with a Bachelor in Business Management, majoring in Finance and Accounting.

TAN CHOON KIAT, JEFFERY
Group Financial Controller

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

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

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

TEO JOO LENG
General Manager,
ONE°15 Marina Sentosa Cove, Singapore

Mr Teo was appointed General Manager of ONE°15 Marina Sentosa Cove, Singapore in August 2016. He is responsible for the profitability and smooth operations of the Group's flagship marina. He reports to Group General Manager, Mr Long Jek Sun.

Mr Teo has more than 14 years of experience in operations, sales and marketing and general management in Malaysia, India and Singapore with Singapore Airlines Limited and Far East Hospitality.

Prior to joining the Group, Mr Teo was General Manager of Oasia Hotel and Head of Corporate Development & Planning responsible for mapping out the future expansion plans and fortifying brand standards at Far East Hospitality.

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

RUDY PUYSTJENS
Marina Manager
ONE°15 Marina Sentosa Cove, Singapore

Mr Puystjens was appointed Marina Manager in May 2012. He is responsible for the daily operations of ONE°15 Marina Sentosa Cove, Singapore including improving its profitability and creating new revenue streams as well as guest relations, onsite crisis management and co-ordinating international events hosted by the marina club. He also contributes to the Group's expanding marina portfolio outside Singapore.

Before taking on his current position, Mr Puystjens, held various positions in the maritme industry and has more then 25 years of experience.

Mr Puystjens has a Bachelor of Human & Social Sciences from Hriepsho Kortrijk in Belgium and was the first Belgian to be professionally trained as a Harbour Master.

CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABILITY POLICIES AND OBJECTIVES

We believe that profitability should not be the sole purpose of our Group. SUTL Enterprise's Corporate Social Responsibility ("CSR") objectives are to:

i. Contribute to the society and community that has enabled our success;
ii. Fulfill our commitment to stakeholders; and
iii. To do no harm to the environment as we carry out our operational activities.

COMMITMENT TO STAKEHOLDERS

• **Shareholders**
SUTL Enterprise is committed to uphold sound corporate governance and transparency practices in accordance to MAS and SGX guidelines. These include keeping shareholders informed of the Group's performance and latest corporate developments through timely and accurate announcements to the investment community and media.

We provide public access to information about SUTL Enterprise via Singapore Stock Exchange's SGXNET. All our corporate announcements, press releases, presentation slides and annual reports are available on this platform. We conduct regular results briefings to keep the investment community updated about our performance.

• **Club members and business partners**
SUTL Enterprise's corporate vision is to be a leading, premier integrated marina developer. With every project that we undertake, we ensure that we put in our best effort to create a marina that is world class and pleasing to club members, business partners and the communities that live around it.

- **Employees**

We are committed to the career and personal development of each employee. We equip them with the skills to do their jobs well through on-the-job training programmes.

Workplace safety is important to our Group. In September 2017, we enhanced our emergency preparedness by conducting a fire drill at our ONE°15 Marina Sentosa Cove Singapore to ensure that staff and club members know what to do in the event of a fire.

COMMITMENT TO THE COMMUNITY

SUTL Enterprise continues to be an active partner in NKF's fund raising activities. The Group, together with its parent company SUTL Group of Companies, hosted NKF's year-end party in December 2017 for about 150 people at the Tay Choon Hye-NKF Dialysis Centre at Kim Keat. Patients and caregivers enjoyed the performances, interactive games and sumptuous lunch that was arranged for them.

In June 2017, the Group also supported the SUTL-FaithActs Charity Golf Tournament, of which SUTL Group of Companies was title sponsor. The event, which was held at the Sentosa Golf Club raised funds to provide social services including helping children with learning disabilities, instilling positive values in at-risk youths, supporting low income families and assisting seniors in managing their health through collaborations with the Institute of Mental Health and hospitals.

We look forward to lend our continued support to NKF and other charities in FY2018.

COMMITMENT TO THE ENVIRONMENT

In September 2017, SUTL Enterprise's staff at its ONE°15 Marina Sentosa Cove Singapore held a "Marina Eco Dive" to help clean up the marina and its surrounding waters and areas. Certified divers scoured the club's seabed for debris while non-divers cleaned up trash on land as part of the Group's commitment to be a responsible marina operator.

SUSTAINABILITY REPORT

In compliance with Singapore Exchange Securities Trading Limited ("SGX-ST") introducing sustainability reporting on a 'comply or explain' basis, SUTL ("the Group") will be publishing its inaugural Sustainability Report which has been prepared in accordance with the Global Reporting Initiative ("GRI") G4 Guidelines – 'Core' reporting requirements, for FY2017.

In preparing this sustainability report, the Group carried out a materiality assessment exercise and identified six material Environmental, Social and Governance (ESG) matters, namely Corporate Governance, Climate and Disaster Risk Management, Fuel and Energy Consumption, Water Management, Waste Water Management and Customer Safety and Security.

For more details on the Group's ESG matters which have been selected for reporting, please refer to the sustainability report that will be posted electronically on SGX and our corporate website.

For any queries in relation to this report or other feedback on our sustainability practices, please feel free to write in to info@sutlenterprise.com.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Lew Syn Pau
Chairman (Non-Executive) and
Independent Director

Arthur Tay Teng Guan
Executive Director and
Chief Executive Officer

Peter Tay Teng Hock
Non-Executive Director

Chan Kum Tao
Non-Executive Director

Colin Ng Teck Sim
Independent Director

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

COMPANY REGISTRATION NUMBER
199307251M

AUDIT COMMITTEE
Lew Syn Pau
Chairman

Colin Ng Teck Sim
Member

Chan Kum Tao
Member

NOMINATING COMMITTEE
Colin Ng Teck Sim
Chairman

Lew Syn Pau
Member

Arthur Tay Teng Guan
Member

REMUNERATION COMMITTEE
Lew Syn Pau
Chairman

Colin Ng Teck Sim
Member

Chan Kum Tao
Member

ISIN CODE
SG1I63883082

COMPANY SECRETARY
Adrian Chan Pengee
Lee & Lee

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01
Singapore Land Tower,
Singapore 048623

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

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

PRINCIPAL BANKERS
Overseas - Chinese Banking Corporation Limited
DBS Bank Ltd
CIMB Bank Berhad
Malayan Bank Berhad
RHB Bank Berhad
Australia and New Zealand Banking Group Limited

GENERAL ENQUIRY/ INVESTOR RELATIONS
For further information about
SUTL Enterprise Limited, please contact the
Secretariat at the Registered Office
E : investors_relations@sutl.com
W : www.sutlenterprise.com

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CORPORATE GOVERNANCE

The Board of Directors ("Board" or "Directors") and the management of the Company (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 references to the principles and guidelines of the Code of Corporate Governance 2012 ("Code").

(A) BOARD MATTERS

The Board's conduct of affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board's role includes:

- providing entrepreneurial leadership, setting strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
- reviewing management performance;
- identifying the key stakeholder groups and recognizing that their perceptions affect the Group's reputation;
- setting the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and
- considering sustainability issues, such as environmental and social factors, as part of its strategic formulation.

The Board is primarily responsible for setting corporate policy and overall strategy for the Group and has a direct responsibility for decision making in respect of the following:

- dealing with matters brought up by the Audit Committee, and in particular, the Group's system of internal controls;
- reviewing the operational and financial performance of the Group, including but not limited to approving announcements for the quarterly and full year financial results;
- approving Annual Reports, addenda to Annual Reports and circulars;
- approving the appointments and remuneration of Directors; and
- reviewing corporate governance processes and practices within the Group.

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

Matters which are reserved for the Board's decision include the following:

- 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);
- share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders;
- any Interested Person Transaction of a value equal to, or more than, 3% of the Group's latest audited net tangible assets;
- 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;
- 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;
- 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;
- capital expenses of the Group amounting to more than S$1.0 million; and
- any matters involving a conflict or potential conflict of interest involving a substantial shareholder or a Director.

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The functions of the Board are either carried out by the Board or delegated to various committees established by the Board, namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Previously, there was a Risk Management Committee ("RMC") established. The RMC was dissolved and its duties were undertaken by the AC with effect from 24 February 2017. Each committee has the authority to examine issues relevant to their terms of reference and to make recommendations to the Board for action. The decisions on major policies and matters lie with the Board.

The Board conducts regular scheduled meetings. Additional meetings are convened as and when circumstances warrant. Notwithstanding the attendance of these meetings, the Board is of the view that a Director's contribution may also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

The Company does not currently have a formal training programme for new or existing Directors. However, 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.

No new Directors were appointed during the financial year ended 31 December 2017 ("FY2017"). However, when a new director is appointed, the Board will endeavour that all newly appointed Directors are given an orientation on the Group's business strategies, operations and organisation structure as well as the statutory and regulatory obligations of being a Director to ensure that they are aware of their responsibilities and obligations of being a Director.

To keep pace with regulatory changes, the Directors are briefed on such changes by the auditors and/or the Company's lawyers from time to time during Board meetings.

The attendance of the Directors at Board and Board committee meetings in 2017, as well as the number of such meetings, is disclosed in the table below.

Meetings	Main Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	4	6	1	2
Directors				
Lew Syn Pau (Independent)	4	6	1	2
Tay Teng Guan Arthur (Executive)	4	NA	1	NA
Tay Teng Hock (Non-Executive)	4	NA	NA	NA
Chan Kum Tao (Non-Executive)	4	6	NA	2
Ng Teck Sim Colin (Independent)	4	6	1	2

In addition to the formal Board meetings, the Board also organizes strategic meetings at least once annually for discussions with the Management on strategic issues.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders[1]. No individual or small group of individuals should be allowed to dominate the Board's decision making.

During FY2017, the Board comprised five Directors, of which two were Independent Directors. The Independent Directors make up more than one-third 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 and experience to the Board. They also provide core competencies such as accounting or finance, business or management experience and strategic planning experience.

The Board is of the view that the current size of the Board is adequate and appropriate after taking into account the size of the Group and the costs involved.

The NC reviews annually the performance of members of the Board. It also reviews the independence of a Director bearing in mind the Code's definition of an 'independent' Director and guidance as to relationships the existence of which would deem a Director not to be independent. It should be noted that Mr Ng Teck Sim Colin is an Independent Director of the Company and a partner of a legal firm which may from time to time render professional legal services to the Group. Nevertheless, the NC (excluding Mr Ng in respect of the deliberation of his own independence) has considered Mr Ng to be independent as the billing is not substantial and he is capable of maintaining his objectivity and independence at all times in the carrying out of his duties and responsibilities as an Independent Director.

As Mr Lew Syn Pau has served on the Board for more than nine years, the NC (excluding Mr Lew in respect of the deliberation of this matter) has conducted a particularly rigorous review of his contributions to the Board to determine if he has maintained his independence. This review included an assessment by all the other members of the Board of Mr Lew's independence of judgement in view that Mr Lew has served on the Board for more than nine years. The NC is satisfied with Mr Lew's performance and that Mr Lew has remained independent in his judgment and can continue to discharge his duties objectively. In its review, the NC noted that Mr Lew Syn Pau has been an Independent Director since April 2000 and has served on the Board for more than nine (9) years. The NC considered that there has been a change in the controlling shareholder in December 2009, when SUTL Global Pte. Ltd. acquired shares of the Company representing 23.36% of the total number of issued shares from Mr Henry Lim Yong Choon, who was then the controlling shareholder of the Company. The period from the change in the controlling shareholding was less than nine (9) years.

1 The term "10% shareholder" shall refer to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.

The Board is satisfied as to the performance and continued independence of judgment of each of these Independent Directors.

During FY2017, the Independent Directors and the Non-Executive Directors constructively challenged and helped the Management develop proposals on business strategies for the Company and the Group. The Board also reviews the performance of the Management in achieving agreed goals and objectives for the Company and the Group, and monitors the reporting of performance.

During FY2017, to facilitate a more efficient check on the Management, the AC had meetings without the presence of the Management at least once annually.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Lew Syn Pau is the Chairman (Non-Executive) and Mr Tay Teng Guan Arthur is an Executive Director and the Chief Executive Officer ("CEO").

The Chairman provides leadership to the Board. He also reviews and approves the meeting agenda 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, and that the Directors receive complete, adequate and timely information before meetings.

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.

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.

Board Membership and Performance

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board has authority to fill vacancies on the Board and to nominate candidates for election by the shareholders. The screening process is handled by the NC with direct input from the other Directors.

The NC currently comprises three members, namely:

Mr Ng Teck Sim Colin, Chairman of the NC	(Independent Director)
Mr Lew Syn Pau, Member of the NC	(Independent Director)
Mr Tay Teng Guan Arthur, Member of the NC	(Executive Director and CEO)

The NC's key duties and responsibilities include the following:

(a) determining annually, and as and when circumstances require, whether or not a Director is independent and providing its views to the Board in relation thereto for the Board's consideration;

(b) reviewing 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;

(c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments;

(d) where the appointment of an alternate Director to a Director is proposed, determining whether the alternate Director is familiar with the Company's affairs, is appropriately qualified and (in the case of an alternate Director to an Independent Director) whether the alternate Director would similarly qualify as an Independent Director, and providing its views to the Board in relation thereto for the Board's consideration;

(e) making recommendations to the Board of Directors on relevant matters relating to:

  (i) the review of board succession plans for Directors, in particular, the Chairman and for the CEO;

  (ii) the development of a process for evaluation of the performance of the Board, its board committees and Directors;

  (iii) the review of training and professional development programs for the Board; and

  (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable);

(f) proposing objective performance criteria and evaluating the performance of the Board of Directors as a whole which allows for comparison with industry peers and address how the Board has enhanced long-term shareholder value;

(g) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board of Directors, based on the process implemented by the Board;

(h) providing its views and recommendations to the Board, including any appointment of new members, based on the results of the performance evaluation;

(i) reporting to the Board its findings from time to time on matters arising and requiring the attention of the NC; and

(j) undertaking such other reviews, projects, functions, duties and responsibilities as may be requested by the Board of Directors.

A brief description of the background of each Director is presented on pages 10 and 11 of this Annual Report.

The Directors submit themselves for re-nomination or re-election at regular intervals of at least once every 3 years and the Company's Constitution requires one-third of the Directors for the time being (other than the Managing Director), or, if their number is not 3 or a multiple of 3, then the number nearest one-third, to retire from office at each Annual General Meeting ("AGM") of the Company. 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.

The search and nomination process for new Directors, if any, will be via contacts and recommendations. The NC also evaluates potential candidates and their suitability, and makes recommendations to the Board for approval.

Directors are allowed to hold directorships in companies outside the Group. The NC and the Board have determined that a Director should not have more than ten listed company board representations.

The NC assesses and makes recommendations to the Board as to whether the retiring Directors are suitable for re-election/re-appointment in consultation with the Chairman and CEO. The NC implements an assessment process that requires each Director to submit an assessment of the performance of the Board, its board committees and of individual Directors for the financial year under review.

Access to Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Information and data relating to matters to be covered at a Board meeting are usually distributed to the Directors before the meeting for their deliberation. On an on-going basis, the Directors have full access to the Company's senior management and the corporate secretarial agent should they have any queries or require additional information on the affairs of the Company and the Group. The corporate secretarial agent attends all Board Meetings. The appointment and removal of the company secretary is subject to the approval of the Board.

Currently, there is no formal procedure for the Directors to take independent and professional advice to discharge their duties. However, subject to prior approval of the Board, the Board and its committees may seek legal, financial or other expert advice from any source independent of Management in furtherance of their duties and in the event that circumstances warrant the same.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The RC currently comprises three members, namely:

Mr Lew Syn Pau, Chairman of the RC	(Independent Director)
Mr Ng Teck Sim Colin, Member of the RC	(Independent Director)
Mr Chan Kum Tao, Member of the RC	(Non-Executive Director)

The RC's duties and responsibilities include the following:

(a) reviewing and recommending to the Board of Directors, a general framework of remuneration for the Directors and key management personnel;

(b) reviewing and recommending annually to the Board, the specific remuneration packages for each Director as well as for the key management personnel, and in its review, to cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind;

(c) reviewing annually the remuneration of employees who are immediate family members of a Director or CEO whose remuneration exceeds S$50,000 during the year;

(d) reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service;

(e) ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(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;

(g) considering the advice from the RMC, whose duties are now undertaken by the AC, on risk weighting to be applied to performance objectives incorporated in executive remuneration;

(h) reviewing working environments and succession planning for Management;

(i) reviewing the terms of the employment arrangements with Management so as to develop consistent group-wide employment practices subject to regional differences;

(j) reporting to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Committee; and

(k) undertaking such other reviews, projects, functions, duties and responsibilities as may be requested by the Board of Directors.

In setting remuneration packages, the RC takes into account the performance of the Group, as well as individual Directors and key management personnel, aligning their interests with those of shareholders, and linking rewards to corporate and individual performance. The RC also considers the remuneration packages and employment conditions within the industry and in comparable companies. No Director is involved in deciding his own remuneration.

Directors are paid Directors' fees, subject to approval at the Company's AGM. The RC recommends to the Board Directors' fees that are appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of Directors.

On 29 April 2011, the Company put in place a share option scheme approved by shareholders (the "Share Option Scheme 2011"). Under this scheme, the number of shares in respect of which options may be granted shall be determined at the discretion of the RC who shall take into account, inter alia, the rank, past performance, years of service and potential contribution of the employee. Details of the options granted under the Share Option Scheme 2011 are set out in the Directors' Statement on pages 32 to 33 of this Annual Report.

Currently, the Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Generally, the Executive Director receives a basic salary and Directors' fees and bonus. For the key management personnel, the aggregate remuneration, including any bonus components, was not excessive. Further, as the Executive Director owes a fiduciary duty to the Company, the Company should be able to avail itself to remedies against the Executive Director in the event of a breach of such fiduciary duties.

The breakdown (in percentage terms) of the remuneration for FY2017, of Directors of the Company and the top key management personnel who are not also Directors of the Company, is set out as below:

Remuneration band & name of Directors	Base/fixed salary %	Variable or performance related income/ Bonus %	Fees (1) %	Benefits And Allowances %	Other long term incentives %	Total
Below S$250,000						
Tay Teng Guan Arthur	69	11	16	–	4	100
Tay Teng Hock	–	–	100	–	–	100
Chan Kum Tao	–	–	100	–	–	100
Lew Syn Pau	–	–	100	–	–	100
Ng Teck Sim Colin	–	–	100	–	–	100

Note:

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

Remuneration band & name of Top Key Management Personnel	Base/fixed salary %	Variable or performance related income/ bonus %	Fees %	Benefits and allowances %	Other long term incentives %	Total
Above S$250,000 Below S$500,000						
Teo Joo Leng	80	10	–	2	8	100
Below S$250,000						
Tay Kuan Wee Alex	78	9	–	–	13	100
Long Jek Sun, Jack	76	9	–	11	4	100
Tan Choon Kiat	70	15	–	5	10	100
Rudy Karel Puyst Jens	91	8	–	1	–	100

The Board supports and is aware of the need for transparency. However, after deliberation, the Board has decided to disclose the remuneration of Directors, the CEO, and the top key management personnel in remuneration bands of S$250,000 and by a percentage breakdown in terms of categories and components instead of the specific remuneration. The Board considered, *inter alia*, the competitive pressures, the sensitive nature of the matter and potential for poaching of staff.

Total remuneration paid to the above top key management personnel (who are not Directors or the CEO) of the Company for FY2017 was approximately S$655,000.

Mr Tay Teng Guan Arthur, an Executive Director and the CEO, is a sibling of Mr Tay Teng Hock, a Non-Executive Director. Mr Tay Kuan Wee Alex, Group Business Development Manager, is a son of Mr Tay Teng Hock, a Non-Executive Director, and a nephew of Mr Tay Teng Guan Arthur, Executive Director and CEO. The remuneration of Mr Tay Kuan Wee Alex for FY2017 was within the band of S$50,000 to S$100,000. Mr Tay Kuan Jin Alvin, Assistant Manager, Operations, One15 Marina Club is a son of Mr Tay Teng Hock, a Non-Executive Director, and a nephew of

Mr Tay Teng Guan Arthur, Executive Director and CEO. The remuneration of Mr Tay Kuan Jin Alvin for FY2017 was within the band of S$50,000 to S$100,000. Other than the above, during the financial year, the Group did not employ any immediate family members of any Director or the CEO and whose remuneration exceeded S$50,000 during the year.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price sensitive reports and reports to regulators (if required). Further, the Company adopts a policy which welcomes Directors to request for further explanations, briefings or informal discussions on any aspects of the Group's operations or business from senior management. The Management reports the operational and financial performance of the Group to the Board by keeping the Board informed and updated with the provision of financial and management reports, on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The responsibilities of the AC, in respect of risk management, include:

(a) determining and recommending the nature and extent of significant risks in achieving the Board's strategic objectives;

(b) determining the Company's levels of risk tolerance and risk policies, and overseeing Management in the design, implementation and monitoring of the Company's risk management and internal control systems;

(c) advising on the Company's overall risk tolerance and strategy;

(d) overseeing and advising on the current risk exposures and future risk strategy of the Company;

(e) 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;

(f) reviewing the Company's capability to identify and manage new risk types;

(g) 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;

(h) reviewing reports on any material breaches of risk limits and the adequacy of proposed action;

(i) reviewing and reporting to the AC, at least annually, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

(j) providing advice to the RC on risk weightings to be applied to performance objectives incorporated in executive remuneration;

(k) monitoring the independence of risk management functions throughout the organisation;

(l) reviewing promptly all relevant risk reports on the Company; and

(m) reviewing and monitoring Management's responsiveness to the findings.

The above responsibilities were previously undertaken by the RMC, but the RMC was dissolved and its responsibilities were undertaken by the AC with effect from 24 February 2017.

The Management has in place a system of internal controls to safeguard shareholders' investments and the assets of the Group. It should be noted such systems are designed to manage rather than eliminate the risk of failure to achieve our 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 judgment 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 risk management and internal control systems including the Group's financial, operational, compliance and information technology controls. Following from the foregoing and based on work done by the internal and external auditors and reviews performed by the Management throughout FY2017, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate in providing reasonable assurance of the effectiveness of the Group in safeguarding its assets and shareholders' value under the current business environment.

The Board has received assurance from the CEO and the Group Financial Controller that, as at 31 December 2017:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal control systems were adequate to address financial, operational, compliance and information technology risks that the Company considers relevant and material to its operations.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC currently comprises three members, namely:

Mr Lew Syn Pau, Chairman of the AC	(Independent Director)
Mr Ng Teck Sim Colin, Member of the AC	(Independent Director)
Mr Chan Kum Tao, Member of the AC	(Non-Executive Director)

At least two members of the AC (including the Chairman of the AC) possess recent and relevant accounting or related financial management expertise or experience.

The AC is authorised by the Board to investigate matters within its terms of reference, has full access to and cooperation of the Management, and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its function properly.

The responsibilities of the AC include:

(a) reviewing the scope and results of the external audit and its cost effectiveness;

(b) reviewing the independence and objectivity of the external auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC shall keep under review the nature and extent of such services, seeking to maintain objectivity;

(c) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;

(d) reviewing the interim and annual financial statements and financial announcements;

(e) reviewing and reporting to the Board, at least annually, the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

(f) reviewing the results of the internal auditors' examination of the Group's system of internal accounting controls on the Group's system of internal controls;

(g) monitoring the establishment, appointments, staffing, qualifications and experience of the Company's internal audit function, including approval of the appointment and compensation terms of the head of the internal audit function, review of whether the internal audit function is adequately resourced, is independent of the activities it audits, and has appropriate standing within the Company. The internal audit function can either be in-house, outsourced to a reputable accounting/auditing firm, or performed by a major shareholder, holding company, parent company or controlling enterprise with an internal audit staff;

(h) reviewing, at least annually, the adequacy and effectiveness of the Company's internal audit function;

(i) meeting with the external auditors, and with the internal auditors, without the presence of the Company's management, at least annually;

(j) making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;

(k) reviewing the policies and arrangements by which staff of the Company may, in confidence, raise concerns about any possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;

(l) 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

(m) in addition to any requirements under the SGX-ST Listing Manual, reviewing, at least annually, any Interested Persons Transactions.

During FY2017, the AC held 6 meetings. The external auditors were in attendance at two of these meetings, and the internal auditor was in attendance at five of these six meetings.

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. 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. The audit service and non-audit service fees paid or payable for FY2017 are stated in Note 62 to the financial statements.

The Group also has a “Whistle Blowing Policy” which provides an independent and confidential channel for employees to communicate concerns of wrongdoings, malpractices and illegal acts directly to the Chairman of the AC.

The external auditors provide regular updates and briefings to the AC on changes or amendments to accounting standards, which would enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

None of the members nor the Chairman of the AC are former partners or directors of the Group’s auditing firm.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

To ensure that the Management maintains a good system of internal controls to safeguard the shareholders’ investments and the Group’s assets, the internal audit was conducted by the Company’s internal audit manager who reported directly to the Chairman of the AC. The internal audit function is adequately resourced and has appropriate standing within the Company, and the internal audit manager has the relevant qualifications and experience.

The internal auditor has access to the Company’s documents, records, properties and personnel, including access to the AC. 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 and the Board are satisfied that there are adequate internal controls for the Group.

(D) SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders’ rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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. From time to time, SGXNET announcements are made in relation to information pertaining to changes in the Company or its business which would be likely to materially affect the price or value of the Company’s shares.

The Company regularly conducts analyst briefings for persons who wish to seek a better understanding of the Group's business and operations. Key management personnel would be present at such briefings. This effort enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insight to the Company. Presentation materials for such briefings are made available on SGXNET.

The AGM is the principal forum for dialogue with shareholders. The Company encourages active shareholder participation at its general meetings. The Board, the corporate secretarial agent, senior management and the Company's external auditors were present and available to address questions at the Company's AGM held on 28 April 2017. Shareholders have the opportunity to vote in person or by proxy, and would also be informed of the rules, including voting procedures that govern general meetings of shareholders.

Voting in absentia by mail, facsimile or email, is currently not permitted by the Company's Constitution, as this requires careful consideration of various factors, including the integrity of information and authentication of the identity of shareholders. All resolutions at the annual general meeting 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. The Board ensures that separate resolutions are proposed for approval on each distinct issue at general meetings. The corporate secretarial agent prepares minutes of general meetings that includes a summary of comments or queries made by shareholders during that meeting, and responses from the Board, which would be provided to shareholders upon their request made in accordance with the Companies Act.

The declaration of 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. After considering the Company's dividend policy, the Board is of the view that it is in the Company's interest to distribute a dividend of 2 Singapore cents per share representing 42% of the Company's net attributable profit in FY2017.

Shareholders and investors may communicate with the Company and, as the case may be, submit any notices of interests, via the Company's investor relations email address of investors_relations@sutl.com.

(E) OTHER MATTERS

Interested Person Transactions

For FY2017, there were no Interested Person Transactions entered into (excluding transactions less than S$100,000), including that there were no Interested Person Transactions (excluding transactions less than S$100,000) conducted under the shareholder's mandate pursuant to Rule 920.

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 2017 or if not then subsisting, entered into since 31 December 2016.

Securities Transactions

The Group has adopted and implemented an internal policy governing securities transaction by its officers and employees. Under the internal policy, officers and other employees are reminded that (i) officers should not deal in the Company's securities on short term considerations and (ii) the Company and its officers should not deal in the Company's securities 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.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of SUTL Enterprise Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2017.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Lew Syn Pau
Tay Teng Guan Arthur
Tay Teng Hock
Chan Kum Tao
Ng Teck Sim Colin

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

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

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
Ordinary shares				
Tay Teng Guan Arthur	–	–	47,389,942	47,389,942
Lew Syn Pau	100,000	100,000	44,000	44,000

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

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

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

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Sarandra Malaysia Sdn Bhd				
Ordinary shares	–	–	–	3,480,600
One15 Marina Development Bhd				
Ordinary shares	–	–	–	5,000,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2018.

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

Share options

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

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

The exercise price is at:

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

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

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

Lew Syn Pau (Chairman)
Chan Kum Tao (Member)
Ng Teck Sim Colin (Member)

During the financial year ended 31 December 2017, there were no options granted to subscribe for unissued ordinary shares in the Company and there were no shares issued by virtue of the exercise of the options.

Share options (cont'd)

As at 31 December 2017, there were no outstanding options to subscribe for unissued ordinary shares in the Company (2016: Nil).

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 under commencement of Scheme to end of financial year under review	Aggregate options outstanding as at year end of financial year under review
SOS 2011				
Directors	–	–	–	–
Controlling shareholder and his associates	–	–	–	–
Employees	–	–	–	–

Aggregate options granted since commencement of SOS 2011 to end of the financial year under review is 2,300,000 (2016: 2,300,000).

Since the commencement of the SOS 2011 till the end of the financial year:

– No options have been granted to the controlling shareholder of the Company and his associates;

– No holder has received 5% or more of the total options available under the SOS 2011;

– No options have been granted to directors of the Company and its subsidiaries;

– No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and

– No options have been granted at a discount.

Audit Committee

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

The AC has nominated Ernst & Young LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Lew Syn Pau
Director

Tay Teng Guan Arthur
Director

Singapore
22 March 2018

INDEPENDENT AUDITOR'S REPORT

To the members of SUTL Enterprise Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SUTL Enterprise Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Key audit matters (cont'd)

Impairment of trade and other receivables

As at 31 December 2017, the Group's gross trade and other receivables amounted to approximately $5.4m and $4.3m respectively. Allowance for doubtful trade and other receivables amounted to approximately $2.8m and $3.6m respectively.

The collectability of trade and other receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. Assessment of collectability of trade and other receivables requires significant management judgment. In assessing these debtors' ability to pay, management considers the repayment history, availability of collateral and financial position of these debtors as well as the use of estimates in determining the quantum of the allowance. As such, we determined that this is a key audit matter.

As part of the audit, we obtained an understanding of the Group's processes and controls relating to the monitoring of trade and other receivables and management's consideration of the receivables' aging in identifying collection risks. The procedures we performed included sending confirmations for selected debtors and reviewing for collectability by way of obtaining evidence of receipts from the debtors subsequent to the year end. As determining the allowance for doubtful debts requires significant management estimates, we assessed management's estimates used to calculate the trade and other receivables impairment/write back amounts, through analysis of aging of receivables and assessment of significant overdue individual debtors. We considered the adequacy of the Group's disclosures on the trade and other receivables and the related risks such as credit risk and liquidity risk in Notes 14 and 24 to the financial statements.

Carrying amount of property, plant and equipment

As at 31 December 2017, the Group's property, plant and equipment amounted to approximately $16.7m which is approximately 25% of the Group's total assets. The Group performed an assessment and determined that the carrying amount of the Group's property, plant and equipment approximates the recoverable amount of these assets. As disclosed in Note 11, the recoverable amount of the property plant and equipment was determined based on the value in use calculations using the Group's cashflow projections which include key estimates and assumptions that are inherently judgmental. Therefore, we considered this as a key audit matter.

As part of the audit, we obtained an understanding of the Group's process to assess the appropriateness of the carrying amount of property, plant and equipment. To assess the appropriateness of the cash flows projections, we evaluated management's key estimates and assumptions with reference to the Group's historical performance and our understanding of the Group's strategic initiatives. We involved our internal valuation specialist to assist in our review of the discount rate used by the Group, and we also checked the mathematical accuracy of the cash flow projections and agreed the relevant data to the budget approved by the board of directors. We considered the adequacy of the Group's disclosures on the carrying amount of the property, plant and equipment in Note 11 to the financial statements.

Other information

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

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

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

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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Responsibilities of management and directors for 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 Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
22 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

(Amounts expressed in Singapore dollars)

	Note	2017 $'000	2016 $'000
Sales of goods and services	4	19,144	19,670
Membership related fees and management fees	4	6,974	6,924
Other income	5	1,171	1,602
Total income		27,289	28,196
Items of expense			
Salaries and other employee benefits	6	(10,503)	(10,299)
Advertising, publication and event expenses		(933)	(1,170)
Depreciation of property, plant and equipment	11	(1,835)	(1,803)
Cost of sales	13	(3,617)	(3,526)
Repair, maintenance and cleaning expenses		(1,893)	(2,091)
Utilities		(1,015)	(1,433)
Property tax		(691)	(819)
Provision for inventory obsolescence and doubtful debts		(44)	(34)
Bank and credit card charges		(392)	(363)
Other operating expenses	7	(1,756)	(2,156)
Total expenses		(22,679)	(23,694)
Profit before tax		4,610	4,502
Income tax expense	8	(517)	(648)
Profit for the year		4,093	3,854
Attributable to:			
Owners of the Company		4,144	3,854
Non-controlling interests		(51)	–
Profit for the year		4,093	3,854

Earnings per share attributable to owners of the Company (cents)			
Basic	9	4.79	4.46
Diluted	9	4.79	4.46

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

(Amounts expressed in Singapore dollars)

	Note	2017 $'000	2016 $'000
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation, representing total other comprehensive income for the year, net of tax		30	–
Total comprehensive income for the year		4,123	3,854
Attributable to:			
Owners of the Company		4,162	3,854
Non-controlling interests		(39)	–
		4,123	3,854

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

BALANCE SHEETS

As at 31 December 2017

(Amounts expressed in Singapore dollars)

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	16,682	16,823	–	–
Investment in subsidiaries	12	–	–	17,415	17,415
		16,682	16,823	17,415	17,415
Current assets					
Inventories	13	180	192	–	–
Trade and other receivables	14	3,561	3,483	569	505
Prepayments		479	416	–	–
Due from related companies	14	58	159	1,800	249
Cash and cash equivalents	15	45,132	41,269	36,769	36,974
		49,410	45,519	39,138	37,728
Total assets		66,092	62,342	56,553	55,143
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	16	6,761	5,918	389	381
Due to related companies	16	32	–	–	–
Loan from a subsidiary	16	–	–	3,500	6,000
Income tax payable		722	809	36	17
		7,515	6,727	3,925	6,398
Net current assets		41,895	38,792	35,213	31,330
Non-current liabilities					
Deferred tax liabilities	17	1,211	1,393	–	–
Total liabilities		8,726	8,120	3,925	6,398
Net assets		57,366	54,222	52,628	48,745

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

BALANCE SHEETS

As at 31 December 2017

(Amounts expressed in Singapore dollars)

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Equity attributable to owners of the Company					
Share capital	18	46,780	46,780	40,810	40,810
Retained earnings		9,857	7,442	11,818	7,935
Other reserves	19	18	–	–	–
		56,655	54,222	52,628	48,745
Non-controlling interests		711	–	–	–
Total equity		57,366	54,222	52,628	48,745
Total equity and liabilities		66,092	62,342	56,553	55,143

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

(Amounts expressed in Singapore dollars)

		Attributable to owners of the Company				
	Equity, total	Equity attributable to owners of the Company, total	Share capital (Note 18)	Retained earnings	Foreign currency translation reserve (Note 19)	Non-controlling interests
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2017						
Opening balance at 1 January 2017	54,222	54,222	46,780	7,442	–	–
Profit for the year	4,093	4,144	–	4,144	–	(51)
Other comprehensive income						
Foreign currency translation	30	18	–	–	18	12
Total comprehensive income for the year	4,123	4,162	–	4,144	18	(39)
Contributions by and distributions to owners						
Dividends on ordinary shares (Note 22)	(1,729)	(1,729)	–	(1,729)	–	–
Total contributions by and distributions to owners	(1,729)	(1,729)	–	(1,729)	–	–
Changes in ownership interests in subsidiaries						
Issuances of shares by a subsidiary company to non-controlling interests	750	–	–	–	–	750
Total changes in ownership interests in subsidiaries	750	–	–	–	–	750
Total transactions with owners in their capacity as owners	(979)	(1,729)	–	(1,729)	–	750
Closing balance at 31 December 2017	57,366	56,655	46,780	9,857	18	711

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

(Amounts expressed in Singapore dollars)

	Equity, total	Equity attributable to owners of the Company, total	Share capital (Note 18)	Retained earnings	Foreign currency translation reserve (Note 19)	Non-controlling interests
		Attributable to owners of the Company				
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2016						
Opening balance at 1 January 2016	52,883	50,251	46,780	3,588	(117)	2,632
Profit for the year, representing total comprehensive income for the year	3,854	3,854	–	3,854	–	–
Changes in ownership interests in subsidiaries						
Disposal of a subsidiary	(2,515)	117	–	–	117	(2,632)
Total changes in ownership interests in subsidiaries	(2,515)	117	–	–	117	(2,632)
Closing balance at 31 December 2016	54,222	54,222	46,780	7,442	–	–

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

(Amounts expressed in Singapore dollars)

	Equity, total $'000	Share capital (Note 18) $'000	Retained earnings $'000
Company			
2017			
Opening balance at 1 January 2017	48,745	40,810	7,935
Profit for the year, representing total comprehensive income for the year	5,612	–	5,612
Dividends on ordinary shares, representing total distributions to owner	(1,729)	–	(1,729)
Closing balance at 31 December 2017	52,628	40,810	11,818
2016			
Opening balance at 1 January 2016	42,509	40,810	1,699
Profit for the year, representing total comprehensive income for the year	6,236	–	6,236
Closing balance at 31 December 2016	48,745	40,810	7,935

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

(Amounts expressed in Singapore dollars)

	Note	2017 $'000	2016 $'000
Operating activities			
Profit before tax		4,610	4,502
Adjustments for:			
Depreciation of property, plant and equipment	11	1,835	1,803
Realisation of translation reserve on disposal of a subsidiary		–	117
Allowance for doubtful receivables, net		44	34
Loss on disposal of property, plant and equipment		17	38
Currency realignment		30	–
Total adjustments		1,926	1,992
Operating cash flows before changes in working capital		6,536	6,494
Changes in working capital:			
Decrease in inventories		12	30
(Increase)/decrease in trade, other receivables and prepayments		(185)	462
Decrease/(increase) in due from related companies		101	(112)
Increase/(decrease) in trade, other payables and other liabilities		32	(871)
Increase/(decrease) in due to related companies		843	(13)
Total changes in working capital		803	(504)
Cash flows generated from operations		7,339	5,990
Income tax paid		(786)	(557)
Net cash flows generated from operating activities		6,553	5,433
Investing activities			
Purchase of property, plant and equipment, net	11	(1,711)	(990)
Net cash outflows on disposal of a subsidiary	12(e)	–	(1,744)
Net cash flows used in investing activities		(1,711)	(2,734)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

(Amounts expressed in Singapore dollars)

	Note	2017 $'000	2016 $'000
Financing activities			
Dividends paid on ordinary shares	22	(1,729)	–
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests		750	–
Net cash flows used in financing activities		(979)	–
Net increase in cash and cash equivalents		3,863	2,699
Cash and cash equivalents as at 1 January	15	41,269	38,570
Cash and cash equivalents as at 31 December	15	45,132	41,269

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

1. Corporate information

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

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

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. Summary of significant accounting policies

2.1 ***Basis of preparation***

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

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

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

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). Other than the impact on adoption of the SFRS(I) 15 and SFRS(I) 9, the Group expects that adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects the impact of adopting SFRS(I) 15 and SFRS(I) 9 will be similar to the impact on adoption of FRS 115 and FRS 109 as disclosed in Note 2.3.

2.2 ***Changes in accounting policies***

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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

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

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

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Improvements to FRSs (December 2016)	
- Amendments to FRS 28 *Investments in Associate and Joint Ventures*	1 January 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 103 *Business Combinations*	1 January 2019
- Amendments to FRS 111 *Joint Arrangements*	1 January 2019
- Amendments to FRS 12 *Income Taxes*	1 January 2019
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 January 2018. Upon adoption of SFRS(I) on 1 January 2018, the SFRS(I) equivalent of the above standards that are effective on 1 January 2018 will be adopted at the same time.

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group applies FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

Impairment

FRS 109 requires the Group to record expected credit losses on its trade and other receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group expects that adjustments to the Group's trade receivables may not be material.

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

2.3 *Standards issued but not yet effective (cont'd)*

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. The Group also plans to apply the following practical expedients:

- For completed contracts, the Group plans not to restate completed contracts that begin and end within the same year or are completed contracts at 1 January 2017, and

- For completed contracts that have variable consideration, the Group plans to use the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative year.

The Group is in a business of operating and maintaining a marina and its annexes. For the entrance fee on the sale of membership, the Group currently recognises the entrance fee when the member is elected into full membership. Under FRS 115, non-refundable upfront fee should be recognised as revenue when future goods and services are provided.

On the adoption of FRS 115, the Group expects to record an adjustment to reduce retained earnings, with a corresponding increase in deferred income as at 1 January 2017. In addition, the Group also expects to record an increase in revenue for the financial year ended 31 December 2017.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group plans to adopt the new standard on the required effective date by applying FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 January 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the impact of adoption.

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

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

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

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

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

(b) *Business combinations*

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

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

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

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

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

2.5 *Transactions with non-controlling interest*

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

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

2.6 *Foreign currency*

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

(a) *Transactions and balances*

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss 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 profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

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

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 profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

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

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

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

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

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

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

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

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

2.8 ***Subsidiaries***

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

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

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

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

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

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

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

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

2.10 ***Financial instruments***

(a) *Financial assets*

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

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

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

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.11 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

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

2.12 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits.

2.13 *Inventories*

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

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

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

2.14 *Provisions*

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

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

2.15 *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the government grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. They are deducted in reporting the related expenses.

2.16 *Employee benefits*

(a) *Defined contribution plans*

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

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

2.16 ***Employee benefits (cont'd)***

(b) *Employee share option plans*

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

The cost of these equity-settled share based payment with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, 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 profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

(c) *Employee leave entitlement*

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

2.17 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payments and excluding discounts, rebates, and sales taxes or duty.

(a) *Sales of goods and services*

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

(b) *Membership related fees and management fees*

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

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

<u>Entrance fee</u>
Entrance fee is recognised when the member is elected into full membership.

<u>Transfer fee</u>
Transfer fee is recognised upon transfer of membership.

<u>Management fee</u>
Management fee is recognised as and when services are provided.

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

2.18 ***Taxes***

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

- where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

2.18 ***Taxes (cont'd)***

(c) *Sales tax*

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

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

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

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

2.20 ***Leases***

As lessee

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2.21 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

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

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

3. Significant accounting judgements and estimates

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

3.1 *Judgements made in applying accounting policies*

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

3.2 *Key sources of estimation uncertainty*

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

Impairment of trade and other receivables

The Group assesses at each reporting date whether there is objective evidence that trade and other receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such allowances are adjusted periodically to reflect the actual and past experience. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 14 to the financial statements.

Carrying amount of property, plant and equipment

The Group assesses the carrying value of property, plant and equipment on an annual basis. This requires an estimation of the value in use of the cash generating unit. Estimating the value in use requires the Group to make an estimate of the expected future cash flows and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions applied in the determination of the value in use, are disclosed and further explained in Note 11 to the financial statements.

The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 11 to the financial statements.

4. Revenue

Revenue represents sales of goods and provision of services in the normal course of business.

5. Other income

	Group	
	2017	2016
	$'000	$'000
Bad debts recovered	716	520
Interest income	342	420
Reversal of legally time-barred claims	–	184
Others	113	478
	1,171	1,602

6. Salaries and other employee benefits

	Group	
	2017	2016
	$'000	$'000
Wages, salaries and bonuses	8,456	8,272
Contributions to defined contribution plan	870	864
Other short-term benefits	1,177	1,163
	10,503	10,299

Share Option Scheme

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

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

No options were granted in the financial year ended 31 December 2017 and 2016. There were no options outstanding at 31 December 2017 and 31 December 2016.

7. Other operating expenses

	Group	
	2017	2016
	$'000	$'000
Professional fees and insurance fees	690	566
Foreign exchange loss	293	29
Security services	246	269
Printing and stationery expenses	243	272
Fees paid/payable to auditor of the Company		
- Audit fees	105	130
- Non-audit fees	27	46
Travelling expenses	84	112
Royalty fee	–	24
Others	68	708
	1,756	2,156

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2017 and 2016 are:

	Group	
	2017	2016
	$'000	$'000
Consolidated statement of comprehensive income:		
Current income tax		
- Current income taxation	713	688
- Over provision in respect of previous years	(14)	(4)
Deferred income tax		
- Origination and reversal of temporary differences	(182)	(28)
- Over provision in respect of previous years	–	(8)
Income tax expense recognised in profit or loss	517	648

8. Income tax expense (cont'd)

Relationship between tax expense and profit before tax

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2017 and 2016 is as follows:

	Group	
	2017	**2016**
	$'000	$'000
Profit before tax	4,610	4,502
Tax at the domestic rates applicable to profits in the countries where the Group operates	784	765
Adjustments:		
Non-deductible expenses	369	322
Income not subject to taxation	(122)	(110)
Effect of partial tax exemption and tax relief	(457)	(333)
Benefits from previously unrecognised tax losses	–	(6)
Over provision in respect of previous years	(14)	(12)
Others	(43)	22
Income tax expense recognised in profit or loss	517	648

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

9. Earnings per share

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

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

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

	Group	
	2017	**2016**
Profit for the year attributable to owners of the Company ($'000)	4,144	3,854
Profit, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share ($'000)	4,144	3,854
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	86,461	86,461
Basic and diluted earnings per share (cents)	4.79	4.46

The diluted earnings per share are the same as the basic earnings per share as the Company does not have any dilutive potential ordinary shares for the financial years ended 31 December 2017 and 31 December 2016.

10. Related party transactions

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

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

	Group	
	2017	**2016**
	$'000	$'000
Sale of goods and services to directors and director-related companies	298	345
Purchase of goods and services from director-related companies	294	315
Payment on behalf of director-related companies	156	126
Payment on behalf for director-related company	17	34

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

	Group	
	2017	**2016**
	$'000	$'000
Salaries, bonuses and other costs	806	930
Directors' fee	265	258
Employer's contribution to defined contribution plans	51	46
	1,122	1,234
Comprise amounts paid to:		
Directors of the Company	467	472
Other key management personnel	655	762
	1,122	1,234

11. Property, plant and equipment

Group	Leasehold land	Leasehold building	Renovations	Furniture and fittings	Office and operating equipment	Motor vehicles	Pontoons and fixtures	Computers	Other equipment	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000		$'000
Cost											
At 1 January 2016	14,209	38,345	1,899	2,746	2,071	476	14,382	1,967	833	–	76,928
Additions	–	–	422	7	213	17	16	308	7	–	990
Disposals	–	–	–	(108)	(124)	(17)	(1)	(2)	(4)	–	(256)
At 31 December 2016 and 1 January 2017	14,209	38,345	2,321	2,645	2,160	476	14,397	2,273	836	–	77,662
Additions	–	–	407	97	137	8	–	428	132	502	1,711
Disposals	–	–	–	(23)	(62)	(5)	(1)	(66)	(6)	–	(163)
At 31 December 2017	14,209	38,345	2,728	2,719	2,235	479	14,396	2,635	962	502	79,210
Accumulated depreciation and impairment loss											
At 1 January 2016	10,654	28,912	404	2,412	1,772	393	12,274	1,771	662	–	59,254
Charge for the year	198	519	281	71	118	52	382	142	40	–	1,803
Disposals	–	(92)	–	(108)	(15)	–	(2)	(1)	–	–	(218)
At 31 December 2016 and 1 January 2017	10,852	29,339	685	2,375	1,875	445	12,654	1,912	702	–	60,839
Charge for the year	187	520	326	69	124	19	336	201	53	–	1,835
Disposals	–	–	–	(18)	(55)	(5)	(1)	(65)	(2)	–	(146)
At 31 December 2017	11,039	29,859	1,011	2,426	1,944	459	12,989	2,048	753	–	62,528
Net carrying amount											
At 31 December 2016	3,357	9,006	1,636	270	285	31	1,743	361	134	–	16,823
At 31 December 2017	3,170	8,486	1,717	293	291	20	1,407	587	209	502	16,682

11. Property, plant and equipment (cont'd)

Appropriateness of the carrying amount of property, plant and equipment

The recoverable amount of property, plant and equipment has been determined based on a value in use calculation using the cash flow projections from financial budgets approved by management. The pre-tax discount rate applied to the cash flow projections and the forecasted long term growth rates used to extrapolate cash flow projections was 10.0% and 0.7% respectively.

Key assumptions used in the value in use calculations:

The calculations of value in use are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are based on past performance and expectation of market developments.

Growth rates – The forecasted growth rates are based on forecast included in industry reports and do not exceed the long-term average growth rate for the industries relevant to the Group.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the Group.

The estimated recoverable value of property, plant and equipment closely approximates the carrying amount of property, plant and equipment as at 31 December 2017.

	Furniture and fittings $'000	Office equipment $'000	Computer $'000	Total $'000
Company				
Cost:				
At 1 January 2016	3	18	50	71
Additions	–	–	–	–
At 31 December 2016 and 1 January 2017	3	18	50	71
Additions	–	–	–	–
At 31 December 2017	3	18	50	71
Accumulated depreciation:				
At 1 January 2016	3	18	47	68
Charge for the year	–	–	3	3
At 31 December 2016 and 1 January 2017	3	18	50	71
Charge for the year	–	–	–	–
31 December 2017	3	18	50	71
Net carrying value:				
At 31 December 2016	–	–	–	–
At 31 December 2017	–	–	–	–

12. Investment in subsidiaries

(a) *Unquoted equity shares*

	Group	
	2017	2016
	$'000	$'000
Unquoted equity shares, at cost	28,475	48,875
Disposals	(11,060)	(20,400)
	17,415	28,475
Impairment losses	–	(11,060)
	17,415	17,415

The movements in allowance for impairment loss on investment in subsidiaries during the financial year are as follows:

	2017	2016
At 1 January	11,060	29,073
Reversal due to striking off of a subsidiary (Note 12b)	(11,060)	–
Reversal due to disposal of a subsidiary (Note 12e)	–	(18,013)
At 31 December	–	11,060

(b) *Composition of the Group*

The Group has the following investment in subsidiaries:

Name (Country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest 2017	2016	Cost of investment 2017 $'000	2016 $'000
Held by SUTL Enterprise Limited					
* SUTL Marina Development Pte. Ltd. (Singapore)	Operating and maintaining a marina and its annexes ("One°15 Marina Club")	100	100	17,328	17,328
* ONE15 Luxury Yachting Pte. Ltd. (Singapore)	Yacht chartering	100	100	87	87
* ONE15 Marina Holdings Pte. Ltd. (Formerly known as SUTL Marina Holdings Pte. Ltd.) (Singapore)	Investment holding	100	100	#	#
*** Achieva Investments Pte Ltd (Singapore)	Investment holding	100	100	–	11,060
				17,415	28,475

Amount is less than $1,000.

12. Investment in subsidiaries (cont'd)

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

Name (Country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest 2017	Proportion (%) of ownership interest 2016
Held through SUTL Marina Development Pte. Ltd.			
* ONE15 Management and Technical Services Pte. Ltd. (Singapore)	Provision of business and management consultancy services and provision of management and technical services for marina activities	100	100
Held through ONE15 Marina Holdings Pte. Ltd. (Formerly known as SUTL Marina Holdings Pte. Ltd.)			
** Sarandra Malaysia Sdn Bhd (Malaysia)	Investment holding	60	–
** SUTL Marina Holdings Sdn Bhd (Malaysia)	Investment holding	100	–
Held through Sarandra Malaysia Sdn Bhd			
** One15 Marina Development Bhd (Malaysia)	Construct, develop and manage a marina, marina club, hotel, recreation centre and other facilities	60	–
Held through Achieva Investments Pte Ltd			
*** Achieva Philippines Pte. Ltd. (Singapore)	Investment holding	–	100

* Audited by Ernst & Young LLP, Singapore

** Audited by member firms of EY Global in Malaysia

*** The Company's wholly-owned subsidiaries, Achieva Investments Pte Ltd and Achieva Philippines Pte. Ltd., were struck off the Register of Companies pursuant to the Singapore Companies Act, Chapter 50 with effect from 9 March 2017. The value of assets and liabilities of the subsidiaries recorded in the consolidated financial statements as at 9 March 2017 was $nil and there was no cash flow effect on the strike off.

12. Investment in subsidiaries (cont'd)

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

As at 31 December 2017, the Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Loss allocated to NCI during the reporting period	Other comprehensive income allocated to NCI during the reporting period	Accumulated NCI at the end of the reporting period
			$'000	$'000	$'000
31 December 2017:					
Sarandra Malaysia Sdn Bhd and its subsidiary	Malaysia	40%	(51)	12	711

As at 31 December 2016, the Group had no subsidiaries with material NCI.

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.

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

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

Summarised balance sheets

	Sarandra Malaysia Sdn Bhd and its subsidiary 2017 $'000
Current assets	1,697
Current liabilities	#
Net current assets	1,697
Non-current assets	80
Net assets	1,777

\# Amount is less than $1,000.

12. Investment in subsidiaries (cont'd)

(d) *Summarised financial information about subsidiaries with material NCI (cont'd)*

Summarised statements of comprehensive income

	Sarandra Malaysia Sdn Bhd and its subsidiary 2017 $'000
Revenue	–
Loss before and after tax	(128)
Other comprehensive income	30
Total comprehensive income	(98)

Other summarised information

	Sarandra Malaysia Sdn Bhd and its subsidiary 2017 $'000
Net cash flows from financing activities	1,777
Net cash flows used in investing activities	(80)

12. Investment in subsidiaries (cont'd)

(e) ***Disposal of a subsidiary***

In January 2016, the Group had disposed of its 51% of equity interest in Achieva Technology Pte Ltd ("ATPL"). The carrying amounts of assets and liabilities of ATPL and the effect thereof as at date of disposal were as follows:

	Cashflow on disposal $'000
Property, plant and equipment	127
Intangible assets	7
Inventories	10,610
Trade and other receivables and other current assets	7,937
Cash and cash equivalents	4,030
	22,711
Trade and other payables	(8,170)
Bank loans	(9,520)
Income tax payable	(3)
	(17,693)
Net carrying amounts of assets disposed	5,018
Less: Non-controlling interest	(2,632)
Sales proceeds	2,386
Less: Sales proceeds receivable in FY2017	(100)
Less: Cash and cash equivalents of subsidiary disposed	(4,030)
Net cash outflow on disposal of a subsidiary	(1,744)

13. Inventories

	Group	
	2017 $'000	**2016** $'000
Balance sheet:		
Food and beverage	153	171
Sundry stores and others	27	21
	180	192
Statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	2,679	2,585

14. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade and other receivables:				
Trade receivables	2,646	2,764	–	–
Refundable deposits	220	208	7	7
Other receivables	695	511	562	498
Total trade and other receivables	3,561	3,483	569	505
Add: Cash and cash equivalents (Note 15)	45,132	41,269	36,769	36,974
Add: Due from related companies	58	159	1,800	249
Total loans and receivables	48,751	44,911	39,138	37,728

Trade receivables

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $979,000 (2016: $1,018,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2017	2016
	$'000	$'000
Trade receivables past due but not impaired:		
1 to 30 days	408	484
30 to 90 days	209	209
More than 90 days	362	325
	979	1,018

14. Trade and other receivables (cont'd)

Trade receivables (cont'd)

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017	**2016**
	$'000	$'000
Trade receivables – nominal amounts	2,842	2,804
Less: Allowance for doubtful trade receivables	(2,792)	(2,804)
	50	–
Movement in allowance accounts:		
At 1 January	2,804	3,741
Allowance for the year	186	512
Write back of allowance for doubtful trade receivables	(142)	(478)
Written off against allowance	(56)	(971)
At 31 December	2,792	2,804

Other receivables

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Debt reassigned	428	447	528	447
Interest receivable on fixed deposits	34	51	34	51
Others	233	13	–	–
	695	511	562	498

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

14. Trade and other receivables (cont'd)

Other receivables (contid)

Other receivables that are impaired

The Group's other receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017	**2016**
	$'000	$'000
Other receivables – nominal amounts	4,174	5,155
Less: Allowance for doubtful receivables	(3,646)	(4,708)
	528	447
Movement in allowance accounts:		
At 1 January	4,708	5,117
Write back of allowance for doubtful receivables	(709)	(520)
Currency realignment	(353)	111
At 31 December	3,646	4,708

Trade and other receivables denominated in foreign currency as at 31 December are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
United States dollars	522	458	428	447

Due from related companies

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Due from subsidiaries	–	–	1,800	249
Due from related companies	58	159	–	–
	58	159	1,800	249

These amounts are trade and non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

14. Trade and other receivables (cont'd)

Due from subsidiaries that are impaired

The Company's amount due from subsidiaries that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2017	**2016**
	$'000	$'000
Due from subsidiaries – nominal amounts	1,800	249
Less: Allowance for doubtful receivables	–	–
	1,800	249
Movements in allowance accounts:		
At 1 January	–	443
Write-back	–	(42)
Write-off	–	(401)
At 31 December	–	–

15. Cash and cash equivalents

Cash and cash equivalents comprise the following at the end of the reporting period:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
Fixed deposits	27,815	34,080	27,815	34,080
Cash at bank and on hand	17,317	7,189	8,954	2,894
Cash and cash equivalents	45,132	41,269	36,769	36,974

Fixed deposits of the Group and the Company at the end of the reporting period have an average tenure of 3 months (2016: 3 months) and 3 months (2016: 3 months) respectively. The effective interest rates of fixed deposits of the Group and the Company are 1.2% (2016: 1.3%) and 1.2% (2016: 1.3%) per annum respectively.

Cash and cash equivalents denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	$'000	$'000	$'000
United States dollars	3,837	3,581	3,724	3,453
Malaysian Ringgit	1,697	–	–	–

16. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade payables	594	53	–	–
Advanced subscription fees	441	524	–	–
Deferred revenue	699	477	–	–
Deposits	1,835	1,927	–	–
Accrued staff costs	1,004	936	–	–
Accrued operating expenses	1,597	1,357	389	381
Advances from customers	174	160	–	–
Other payables	417	484	–	–
Total trade and other payables	6,761	5,918	389	381
Add: Due to related companies (trade)	32	–	–	–
Add: Loan from a subsidiary	–	–	3,500	6,000
Less: Advanced subscription fees	(441)	(524)	–	–
Less: Deferred revenue	(699)	(477)	–	–
Less: GST payable	(318)	(295)	–	–
Less: Advances from customers	(174)	(160)	–	–
Total financial liabilities carried at amortised cost	5,161	4,462	3,889	6,381

Trade payables/other payables

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

Due to related companies (trade)/loan from a subsidiary

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

17. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Group	
	2017	2016
	$'000	$'000
Deferred tax liabilities		
- Differences in depreciation and tax allowance for tax purposes	1,211	1,393

18. Share capital

	Group			
	2017		2016	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At beginning and end of the year	86,461	46,780	86,461	46,780

	Company			
	2017		2016	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At beginning and end of the year	86,461	40,810	86,461	40,810

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

19. Other reserves

Foreign currency translation reserve

The 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.

20. Contingent liabilities and commitments

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 profit or loss for the financial year ended 31 December 2017 amounted to $1,540,000 (2016: $2,338,000).

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

	Group	
	2017 $'000	2016 $'000
Not later than one year	1,180	1,348
Later than one year but not later than five years	504	677
	1,684	2,025

21. Segment information

No operating segment is presented as the Group has only one reportable segment, which is marina operations. As most of the Group's revenue and assets are in Singapore, no reporting by geographical location of operations is presented.

22. Dividends on ordinary shares

	Group and Company	
	2017	2016
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend for 2016: $0.02 (2015: $Nil) per share	1,729	–
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2017: $0.02 (2016: $0.02) per share	1,729	1,729

23. Fair value of assets and liabilities

The Group does not have assets or liabilities that are measured at fair value on a recurring or non-recurring basis in the balance sheet after initial recognition. The carrying amounts of financial assets and liabilities are a reasonable approximation of their fair values due to their short-term nature.

24. Financial risk management objectives and policies

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

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

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

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

(a) Credit risk

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

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

Exposure to credit risk

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

Credit risk concentration

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

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Other financial assets that are either past due or impaired are disclosed in Note 14 (Trade and other receivables).

(b) ***Liquidity risk***

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

All the financial liabilities of the Group and the Company are due within a year and approximate the contractual undiscounted repayment obligations of the Group and the Company.

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

(c) ***Foreign currency risk***

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

Sensitivity analysis for foreign currency risk

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

		Group Increase/(decrease) Profit before tax	
		2017	2016
		$'000	$'000
USD/SGD	- strengthened 10% (2016: 10%)	436	404
	- weakened 10% (2016:10%)	(436)	(404)

25. Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 31 December 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by the sum of capital and net debt. Net debt includes trade and other payables, other liabilities less cash and cash equivalents. Capital refers to equity attributable to owners of the Company.

As at 31 December 2017 and 31 December 2016, the Group is in a net cash position.

26. Events occurring after the reporting period

(a) On 22 February 2018, the wholly-owned subsidiary ONE15 Marina Holdings Pte. Ltd. entered into a conditional share sale and purchase agreement ("SPA") to subscribe and purchase an aggregate of 1,152,000 ordinary shares which represent 60% interest in Makham Bay Marina Co., Ltd. The acquisition is subject to the fulfilment of conditions provided in the SPA.

(b) On 26 February 2018, SUTL Marina Development Pte. Ltd. transferred its entire shareholding of 100,000 issued and fully paid ordinary shares in the capital of its wholly-owned subsidiary One15 Management and Technical Services Pte. Ltd. ("MTS") to the Company at a consideration of $177,839, representing the net assets of MTS as at 31 December 2016. Consequently, MTS became a wholly-owned subsidiary of the Company on this date.

27. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 22 March 2018.

STATISTICS OF SHAREHOLDINGS

As at 19 March 2018

Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share
Number of treasury shares	:	Nil (0%)
Number of subsidiary holdings (as defined in the SGX-ST Listing Manual)	:	Nil (0%)

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	11	0.37	421	0.00
100 - 1,000	1,250	42.69	602,845	0.70
1,001 - 10,000	1,293	44.16	5,661,270	6.55
10,001 - 1,000,000	365	12.47	17,575,741	20.33
1,000,001 AND ABOVE	9	0.31	62,620,325	72.42
TOTAL	**2,928**	**100.00**	**86,460,602**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SUTL GLOBAL PTE LTD	47,389,942	54.81
2	HSBC (SINGAPORE) NOMINEES PTE LTD	3,936,600	4.55
3	PHILLIP SECURITIES PTE LTD	2,791,153	3.23
4	OCBC SECURITIES PRIVATE LIMITED	2,192,021	2.54
5	DBS NOMINEES (PRIVATE) LIMITED	1,495,641	1.73
6	HONG LEONG FINANCE NOMINEES PTE LTD	1,337,300	1.55
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,278,168	1.48
8	GOH GUAN SIONG (WU YUANXIANG)	1,155,500	1.34
9	RAFFLES NOMINEES (PTE) LIMITED	1,044,000	1.21
10	CITIBANK NOMINEES SINGAPORE PTE LTD	833,400	0.96
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	791,600	0.92
12	CHAI CHEE KENG	555,000	0.64
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	488,600	0.57
14	LO JU JIE	458,981	0.53
15	YU MAN-LI	418,000	0.48
16	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	369,100	0.43
17	TAN SOO GUAN	285,100	0.33
18	UOB KAY HIAN PRIVATE LIMITED	279,290	0.32
19	TOH LAY BENG	260,000	0.30
20	SIM MONG CHUAN MERVYN (SHEN MAOQUAN MERVYN)	250,000	0.29
	TOTAL	**67,609,396**	**78.21**

STATISTICS OF SHAREHOLDINGS

As at 19 March 2018

SUBSTANTIAL SHAREHOLDERS

No	Name	Beneficial interest No. of shares	%	Deemed interest No. of shares	%
1.	SUTL Global Pte. Ltd.	47,389,942	54.81	–	–
2.	Tay Teng Guan Arthur [(a)]	0	0	47,389,942	54.81

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

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

45.19% 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-Fourth Annual General Meeting of SUTL Enterprise Limited will be held at Constellation 1, ONE°15 Marina Club, #01-01, 11 Cove Drive, Sentosa Cove, Singapore 098497, on 26 April 2018 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 2017 and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final 1-tier tax exempt dividend at 2 cents per ordinary share for the year ended 31 December 2017. **(Resolution 2)**

3. To approve the payment of Directors' Fees of S$264,605 for the year ended 31 December 2017. **(Resolution 3)**

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

5. To re-elect Mr. Chan Kum Tao as Director retiring under Article 104 of the Articles of Association of the Company. **(Resolution 5)**

6. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following Resolutions with or without any modification as Ordinary Resolutions:

   (a) "That pursuant to and subject to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), and the approval of the SGX-ST, authority be and is hereby given to the Directors of the Company 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:

   (i) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued shares of the Company excluding any treasury shares and subsidiary holdings ("Issued Shares"), and provided further that where shareholders of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per cent. (20%) of the Issued Shares ("General Limit");

   (ii) for renounceable rights issues on a pro-rata basis, subject to the Listing Manual of the SGX-ST including Practice Note 8.3, and the approval of the SGX-ST, the aggregate number of shares to be issued by way of renounceable rights issues on a pro-rata basis, when added to all of the shares issued pursuant to sub-paragraph (i) above, shall not exceed 100 per cent. (100%) of the Issued Shares ("Enhanced Rights Issue Limit");

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 outstanding or subsisting at the time this Resolution is passed, 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 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 as may be amended from time to time, and pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of the options under the Option Scheme (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 the last Annual General Meeting or the date of this Resolution, whichever is the higher, 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 11 April 2018 (being an addendum to the Annual Report of the Company for the financial year ended 31 December 2017) (the "Addendum")), in accordance with the "Guidelines on Share Purchases" set out in the Appendix on pages 19 to 22 of the Addendum, and this mandate shall commence from the date of passing of this Resolution and expire at the earliest of (a) the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is the earlier; (b) the date on which the purchases or acquisitions of shares pursuant to the Share Purchase Mandate are carried out to the full extent authorised under the Share Purchase Mandate; or (c) the effective date on which the authority conferred in the Share Purchase Mandate is varied (as to the duration of the Share Purchase Mandate) or revoked by the Shareholders in general meeting, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST." **(Resolution 9)**

(d) "That

(i) approval be and is hereby given for the Company and its subsidiaries or any of them to enter into any of the transactions falling within the categories of interested person transactions described in the Addendum with any party who is of the class or classes of interested persons described in the Addendum, provided that such transactions are made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the interested person transactions as described in the Addendum (the "IPT Mandate");

NOTICE OF ANNUAL GENERAL MEETING

(Company No: 199307251M)
(Incorporated in the Republic of Singapore)

(ii) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company;

(iii) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and

(iv) authority be and is hereby given to the directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient, necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." **(Resolution 10)**

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

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary
11 April 2018

NOTES:

1. (a) A member of the Company who is not a relevant intermediary entitled to attend and vote at the above Meeting may appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the above Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member (which number and class of Shares shall be specified). In such an event, such member shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "Relevant Intermediary" means:

   (I) a banking corporation licensed under the Banking Act of Singapore (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (II) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act of Singapore (Cap. 289), and who holds shares in that capacity; or

   (III) the Central Provident Fund Board established by the Central Provident Fund Act of Singapore (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting.

4. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

5. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies. 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 a proxy or proxies 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.

(Company No: 199307251M)
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EXPLANATORY NOTES:

Resolution 3

Resolution 3 above is to seek approval for the payment of S$264,605 as Directors' Fees to the Independent Directors as well as the other Directors on the board for the financial year ended 31 December 2017. The Directors' Fees for the financial year ended 31 December 2016 was S$258,000 for the Independent Directors as well as the other Directors on the board.

Resolution 4

Mr. Lew Syn Pau, the Chairman (Non-Executive) and Independent Director of the Company, if re-elected, will also remain as Chairman of the Audit Committee and Remuneration Committee, and member of the Nominating Committee. Please refer to page 10 of the Company's Annual Report for the financial year ended 31 December 2017 for more information.

Resolution 5

Mr. Chan Kum Tao, Non-Executive Director, if re-elected, will also remain as member of the Audit Committee and the Remuneration Committee. Please refer to page 11 of the Company's Annual Report for the financial year ended 31 December 2017 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.

The authority for the Enhanced Rights Issue Limit is proposed pursuant to Practice Note 8.3 of the Listing Manual. In accordance with Rule 107 of the Listing Manual, the SGX-ST has modified the requirement under Rule 806(2) of the Listing Manual to provisionally raise the renounceable rights issue limit from 50% to 100% subject to the conditions set out in paragraph 3 of Practice Note 8.3 of the Listing Manual. The Enhanced Rights Issue Limit will take effect from 13 March 2017 until 31 December 2018 by which date the shares issued pursuant to the Enhanced Rights Issue Limit must be listed.

The adoption of the Enhanced Rights Issue Limit, if approved, will allow the Company to take advantage of the Enhanced Rights Issue Limit. The Board of Directors is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders as the adoption of the Enhanced Rights Issue Limit would provide the Company with the flexibility to utilise this limit in the event that the Company wishes to undertake a rights issue. If the Company wishes to utilise the Enhanced Rights Issue Limit, the shares issued pursuant to this limit must be listed by 31 December 2018.

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 last annual general meeting or the date of the Resolution, whichever is the higher, 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.

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Resolution 10

Resolution 10, if passed, will renew the IPT Mandate first given by the Shareholders at the Company's Extraordinary General Meeting held on 29 April 2011 to allow the Company, and its subsidiaries and associated companies or any of them to enter into Interested Person Transactions (details of which are set out in the Addendum).

The Company's Audit Committee has confirmed (pursuant to Rule 920(1) of the Listing Manual of the SGX-ST) that the methods or review procedures set out in the Addendum for determining the transaction prices in respect of the interested person transactions have not changed since the Shareholders' approval at the previous Annual General Meeting held on 28 April 2017.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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 (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.

SUTL ENTERPRISE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199307251M)

PROXY FORM
Annual General Meeting

IMPORTANT
1. For investors who have used their CPF monies to buy SUTL Enterprise Limited shares, this Annual Report is sent to them at the request of their CPF Approved Nominees. **FOR INFORMATION ONLY.**
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______________________________ (Name)

of ______________________________ (Address)

being a *Member / Members of SUTL Enterprise Limited (the "**Company**") hereby appoint:-

Name	**Address**	**NRIC/Passport Number**	**Proportion of Shareholding (if more than one (1) proxy is appointed)**	
			No. of Shares	**%**

and/or (delete as appropriate)

Name	**Address**	**NRIC/Passport Number**	**Proportion of Shareholding (if more than one (1) proxy is appointed)**	
			No. of Shares	**%**

or failing *him/them the Chairman of the Annual General Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be held at Constellation 1, ONE°15 Marina Club, #01-01, 11 Cove Drive, Sentosa Cove, Singapore 098497, on 26 April 2018 at 3:00 p.m. and at any adjournment thereof.

(Please indicate with an "**X**" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the *proxy/proxies may vote or abstain as *he/they may think fit on any matter arising at the Annual General Meeting.)

No.	**Resolution**	**For***	**Against***
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 2017		
3	Approval of Directors' fees		
4	Re-election of Director – Mr. Lew Syn Pau		
5	Re-election of Director – Mr. Chan Kum Tao		
6	Re-appointment of auditors		
7	Authority to issue and allot shares pursuant to Section 161 of the Companies Act, Cap. 50		
8	Authority to offer and grant options in accordance with the Share Option Scheme 2011		
9	Authority to purchase shares pursuant to the Share Purchase Mandate		
10	Authority to enter into interested person transactions pursuant to the Interested Person Transactions Mandate		

Dated this __________ day of ______________ 2018.

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. (a) A member of the Company who is not a relevant intermediary entitled to attend and vote at the above Meeting may appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the above Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member (which number and class of Shares shall be specified). In such an event, such member shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "Relevant Intermediary" means:

   (I) a banking corporation licensed under the Banking Act of Singapore (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (II) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act of Singapore (Cap. 289), and who holds shares in that capacity; or

   (III) the Central Provident Fund Board established by the Central Provident Fund Act of Singapore (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. This instrument appointing a proxy or proxies must be signed by the appointor or his/her duly authorised attorney. Where this instrument appointing a proxy or proxies 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.

3. A Member which is a body corporate may also appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50, to attend and vote for and on behalf of such body corporate.

4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the shares held by you.

5. This instrument appointing a proxy or proxies, duly executed, must be deposited at the Registered Office of the Company at #05-00, 100J Pasir Panjang Road, SUTL House, Singapore 118525 at least forty-eight (48) hours before the time fixed for holding the meeting.

6. Where an instrument appointing a 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.

General

The Company shall be entitled to reject this instrument appointing a proxy or proxies 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 a proxy or proxies. 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 a proxy or proxies 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 a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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 (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.


ONE°15

SUTL Enterprise Limited

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