Cortina Holdings Limited

ANNUAL REPORT 2018

Contents

Corporate Profile

The times may change but true style and quality last forever.

For over 45 years, Cortina Watch has established itself as a brand synonymous with impeccable, high-quality timepieces, renowned amongst discerning individuals.

As we progress towards our next phase of growth, we remain focused on our mission of being a leading retailer and distributor of luxury timepieces and accessories across the Asia Pacific region. We continue to expand our network of retail outlets, seeking opportunities in countries and cities with high growth potential, while augmenting and strengthening our presence in Singapore, Malaysia, Thailand, Indonesia, Hong Kong and Taiwan.

Our position in the industry is a result of the collective passion, foresight and diligence of our people. Our commitment and dedication to bringing you the best of luxury horology remains our utmost priority – by achieving that perfect balance through innovation, we continue to delight our customers with timepieces of the highest quality.

Chairman's Message

Dear Shareholders,

The financial year ended 31 March 2018 ("FY2018") proved to be a banner year for Cortina Holdings Limited ("the Group"). As we commemorated our 45th year of operations, the Group turned in a record performance on the back of improved stock management, enhanced performance in key markets and higher tourist arrivals.

Globally, economic growth showed signs of picking up during the year, although uncertainties remained on the international trade and geopolitical fronts. The year in review saw the Singapore economy grew 3.6%, in line with the modest improvement in the global economic climate. Among the markets where we have an operational presence, Singapore and Malaysia emerged as our top performers, while Thailand, Taiwan and Hong Kong generated results in line with expectations.

Growing from Strength to Strength

Capitalising on strong business fundamentals and operational excellence, the Group maintained a growth trajectory to deliver a strong performance. In FY2018, total revenue reached a new high of S$466.3 million, representing a 19.3% increase compared to S$390.8 million in the previous financial year. Driving this expansion were new store openings and higher tourist arrivals from China.

Mandarin Gallery, Singapore


Mandarin Gallery, Singapore


Central Embassy, Thailand

In tandem with the rise in revenue, net profit recorded an uptick of 85.3%, climbing to a record S$23.1 million during the year in review, from S$12.5 million the year before. This was also attributable to good sales mix and improved sales margins, which rose to 23.2% in FY2018 compared to 22.9% in the last financial year. Contributing to the increase in sales margin was the price resilience of our products alongside sustained demand for luxury watches that was attributed to improved market conditions.

On the back of our robust revenue and profit growth, the Group generated net operating cash inflow of S$55.4 million in FY2018. Meanwhile, net asset per share rose to 107.7 cents, up from 96.3 cents in FY2017, and earnings per share recorded an increase to 13.5 cents compared to 7.1 cents in the last financial year.

Growing Our Presence

In driving sustainable growth, the Group adopts a prudent approach to augment performance and ensure value creation. As part of our continuing efforts to enhance customer experience, we broadened our presence in Thailand and Malaysia during the financial year with the opening of two new stores strategically located within Bangkok and Kuala Lumpur respectively.

The Bangkok store is a multi-brand boutique at a luxury shopping destination. Featuring a unique shop-in-shop concept that enables international luxury brands to retain their distinctive brand identity, the new store offers an extensive selection of exquisite timepieces. Set amidst a lavish, nature-inspired environment, the boutique has drawn positive responses from customers and watch aficionados alike, with the mall's prime location attracting high foot traffic.

Enhancing Customer Experience

The Group regularly reviews the performance of our retail outlets to optimise same-store sales. Aside from expanding or relocating existing boutiques, we will continue to refurbish our stores in our quest to raise the bar in customer satisfaction. During the year in review, we commenced the refurbishment of our boutique at Raffles City Shopping Centre in Singapore. Aimed at heightening customer experience and enhancing our brand, the store renovation is expected to be completed by early FY2019.

In addition, we relocated our boutique in Wisma Atria, Singapore to Mandarin Gallery in FY2018, enabling us to leverage the strategic location of this luxury mall at the heart of Singapore's shopping belt. The financial year witnessed the relocation and expansion of our first and only Patek Philippe boutique in Malaysia. Also located within Suria KLCC shopping mall in Kuala Lumpur, the larger unit comes with elegant architecture and furnishings that reflect the rich heritage of the brand and features the tallest Patek Philippe Façade in Southeast Asia. At the same time, our Rolex boutique at Marina Square in Singapore which opened in FY2017 has continued to deliver steady growth.

More than just building our brand equity, we strive to foster long-lasting relationships with our customers. To this end, we hosted a series of marketing events designed not only to delight our customers, but also to foster brand loyalty.

In embracing digital connectivity, plans are underway to roll out an e-commerce platform on our website in the first half of FY2019. Featuring selected brands and models, this platform will bring our luxury timepieces to a wider consumer base.

Community Engagement

As a responsible corporate citizen, we remain committed to enhancing the lives of the communities we operate in. Signalling our dedication to social sustainability, our 45th Anniversary Gala Dinner saw the Group donating S$500,000 to schools and hospitals and charitable organisations across Singapore.

Looking Ahead

On the macro economic front, the outlook for 2018 is turning more cautiously optimistic. The International Monetary Fund (IMF) and the World Bank have upgraded their global growth forecasts, anticipating stronger than expected expansion on the back of improving sentiments in markets across Europe, Asia and the US. However, the prospect of interest rate adjustments could affect the momentum of economic growth. Should the economic outlook improve, the economy would likely provide an uplift to consumer sentiment, which bodes well for the luxury watch industry.

Moving forward, we remain committed to strategies that foster sustainable growth and create value over the long term. Through adopting an approach that focuses on driving organic growth, alongside prudent capital management measures, we continue to explore new opportunities to expand our regional network.

Appreciation

The Group's sterling performance stemmed from the contributions of many stakeholders. I would like to thank the Board of Directors for their wise counsel and advice in guiding the Group through another successful year. Our thanks also goes to our partners and customers for their continued support, as well as our management and staff for their hard work, dedication and passion,

Raffles City, Singapore

Marina Square, Singapore

KLCC, Malaysia

which represents the Cortina brand. I also convey my sincere appreciation to our shareholders for their continued commitment, loyalty and confidence.

I am pleased to inform that the Board of Directors has proposed a final and special tax-exempt cash dividend of 2.0 cents and 2.5 cents per ordinary share for financial year 2018, subject to the approval of shareholders at the next annual general meeting to be held on 26 July 2018. This represents an 50% increase over FY2017.

Having marked our 45th anniversary with a record performance, we remain committed to building on our achievements and generating shareholder value for the long term.

Lim Keen Ban, Anthony
Chairman & CEO

Moving forward, we remain committed to strategies that foster sustainable growth and create value over the long term.

Singapore

Cortina Watch celebrated its 45th Anniversary Gala Dinner

Cortina Watch celebrated 45 years of timeless moments with 630 guests in a gala dinner on 3 November 2017 at the Ritz Carlton Hotel. The event was graced by many notable guests including Mr Thomas Kupfer, Ambassador of Switzerland to Singapore, as well as social A-listers.

The highlight of the event was the creation of a unique portrait of our Founder and CEO, Mr Anthony Lim, by a glitter speed painting artist. Chef Massimo Pasquarelli took the guests on a culinary journey of an Asian fusion menu inspired by our growing presence in the region – Singapore, Malaysia, Thailand, Indonesia and Taiwan.

To commemorate the occasion, Cortina Watch produced 45 exclusive limited edition timepieces with Panerai.

45TH ANNIVERSARY


PANERAI

Singapore

Hautlence#BornFromColors Exclusive Dinner at Pearl Island

With #BornFromColors, HAUTLENCE offers a unique technicolor experience with the Vortex Gamma, placing chromatics at the very core of this exceptional creation that is a high-tech, highly colourful watch with a high-end mechanical heart and a high-impact design.

To celebrate the launch of the Vortex Gamma, HAUTLENCE and Cortina Watch invited members of the press and VIP guests for the #BornFromColors Tour. Guests indulged in a bespoke 5 course dinner by celebrity Chef Stephan Zoisl at a private waterfront in Sentosa Pearl Island and treated to the product presentation by Mr Bertrand Meylan, owner of Hautlence.

Indonesia




Patek Philippe Minute Repeater Events

In the month of November 2017, Cortina Watch Indonesia hosted Minute Repeater (MR) events for the VIPs and media at OnFive Residence at Grand Hyatt Jakarta. The MR event for VIPs was hosted on 14 November 2017 and ended with exquisite fine-dining. While the MR event for Media was hosted on 15 November 2017 followed by lunch.

Guests were introduced to the educational angle of Minute Repeater in a presentation by Ms Ida Idris, Regional Head of Marketing & Communications of Patek Philippe S. E. A., and Mr David Chan, Regional Sales Manager of Patek Philippe S. E. A.. During the presentation, guests were shown how to differentiate the quality and the functions of MR spare parts, and also experience different sounds and melody of each unique MR pieces.

It was a rare opportunity to view, touch and feel the whole range of Minute Repeater timepieces which always travel around the world.

Malaysia

Launch of New Boutique in IMAGO Shopping Mall

Cortina Watch officially launched its new boutique in IMAGO Shopping Mall in Kota Kinabalu, Sabah, on 17 August 2017. This new boutique features a modern luxury concept with bright lights and wide spaces while ensuring an intimate retail experience for our esteemed customers. Housing 14 internationally renowned brands like Bell & Ross, Corum, Ebel, Gucci, IWC Schaffhausen, Jaeger-LeCoultre, Longines, Montblanc, Omega, Panerai, Rolex, TAG Heuer, Tudor, and Zenith, Cortina Watch offers consumers a wider product range of high quality timepieces and various collections.

150 high-value customers, watch collectors, members of the media, and brand partners attended the event, which was hosted by Mr Tay Liam Khoon, Managing Director of Cortina Watch Malaysia. Mr Tay said, “Today we are all here to celebrate the opening of our 10th boutique in Malaysia. With this addition, I believe we are well positioned to meet the demands of the market as we see great potential in Kota Kinabalu especially as a development and tourism hub. I would also like to extend my heartiest thanks to all brands partners for their support.”

Re-opening of the First and Only Patek Philip Boutique at Suria KLCC

Patek Philippe and Cortina Watch celebrated the grand re-opening of its newly relocated and expanded boutique at Suria KLCC shopping mall, which is in the heart of the Malaysian city centre, Kuala Lumpur. The KLCC boutique is the result of the partnership between Cortina Watch and Patek Philippe. First opened in 2013, the new boutique underwent a 16 week major refurbishment, which reaffirms the manufacture's commitment in welcoming its customers in an environment that reflects its heritage. With an expansion of 2,024 sqf, which is over 500 sqf larger than its previous location, it is elegantly furnished with precious woods, plush leather upholstery, custom made glass, baccarat crystals and burnished brass finishing.

A symbolic ribbon-cutting ceremony was officiated by Mr Thierry Stern, President of Patek Philippe; Mr Raymond Lim, Deputy CEO of Cortina Holdings Limited; Ms Deepa Chatrath, General Manager of Patek Philippe S.E.A; Mr Tay Liam Khoon, Managing Director of Cortina Watch Malaysia and Mr Francis Tan, COO of Suria KLCC. Guests were invited to the new boutique for pre-dinner cocktails, before they were chauffeured to Mandarin Oriental Kuala Lumpur for a lively evening which included entertainment by jazz powerhouse Evelyn Feroza, and haute horology as the latest 2017 and rare handcraft novelties from Patek Philippe were showcased.

The highlight of the evening was the gastronomic feast curated by Michelin-starred Chef Emmanuel Stroobant, who was flown-in specially for the occasion to work alongside Chef Rene Ottlik, Executive Chef of Mandarin Oriental Kuala Lumpur, to create a menu which included Braised Abalone with Tomato Water and Japanese Scallops seared in Almond Butter. The guests also indulged in a dessert buffet with a selection of over 30 delectable sweet treats created by Chef Anthony Hoyle, Mandarin Oriental Kuala Lumpur's Executive Pastry chef.

Thailand

Innovations Inspired by the Speed of Formula 1

The ultimate reference in aeronautical watches "Bell & Ross", together with the distributor of luxury Swiss watches in Thailand "Cortina Watch", recently launched a high-performance wristwatch, the BR-X1 RS17, inspired by the ultra-fast speed of the Formula 1.

Bell & Ross' tagline "Watch Beyond" expresses the idea of going one step further and pushing limits under extreme conditions. This led to the BR-X1 RS17 being launched at an event that showcased the ultimate precision and luxurious aspects of the newly-unveiled watch before all the high-profile watch-lovers.

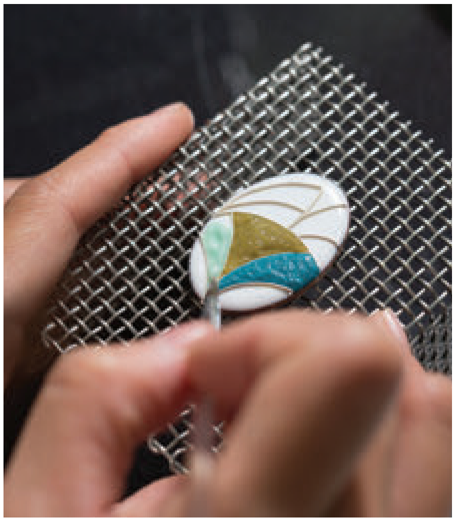
Held at Park Hyatt Hotel Bangkok, Central Embassy, the event was attended by celebrities and socialites. Aptly named "A Road to Luxurious Sensation", the event concept created an extraordinary atmosphere to give the guests a sense of a luxury speed race.

Taiwan

Taipei skyline captured on the Enamel of Patek Philippe Rare Handcraft "Twilight-Taipei" Dome Clock

The second Patek Philippe art clock in Cortina Watch's collection, "Twilight-Taipei" dome clock reached another peak for enamel craftsmanship. It took months to craft the perfection of Patek Philippe enamel work of art, to capture the beauty of the city. To present the Taipei skyline at twilight, the enamel masters used 23.7 meters long, 47.4 grams of gold thread to paint the skyline, and 32 types of enamel colors to depict the lights and shades within the twilight clouds. This unique piece of Patek Philippe art was its first named after Taipei, the "Twilight-Taipei" dome clock was on display in 101 Patek Philippe Boutique.

Prior to the exhibition, Cortina Watch Taiwan held two enamel craft workshops, where metal-work teachers were invited to share the process of enamel artwork and to guide guests to experience the process of filling in the colours. Guests grew new appreciation for the intricacy and beauty of enamel craftsmanship, and especially for the time and effort required to finish such a delicate clock.



Board of Directors

From left to right:
Yu Chuen Tek, Victor
Lim Jit Ming, Raymond
Lim Keen Ban, Anthony
Lee Ah Fong, James
Lim Jit Yaw, Jeremy
Lau Ping Sum, Pearce
Foo See Jin, Michael
Long Foo Pieng, Benny
Chin Sek Peng, Michael

Board of Directors

Lim Keen Ban, Anthony

Lim Keen Ban, Anthony is one of the founders of our Group and was appointed Managing Director in 1972. He is currently the Chairman and Chief Executive Officer (CEO) and is responsible for the overall management, strategic planning and business development of the Group. In addition, Mr Lim also heads the distribution business and was instrumental in building up the distribution business over the last 20 years. He has over 45 years of experience in the business of watch retailing and distribution and has gained extensive knowledge of the industry over the years. Mr Lim was the President of the Singapore Clock & Watch Trade Association from 2002 to 2008.

Lim Jit Ming, Raymond

Lim Jit Ming, Raymond is an Executive Director of the Group since 1992. He was appointed in 2011 as the Group's Deputy Chairman and Deputy Chief Executive Officer. He plays a pivotal role in assisting the CEO in the overall management, strategic planning and is actively involved in the development of new markets. He has been with the Group since 1980 and has over 20 years of experience and know-how of the watch retail and distribution industry.

Yu Chuen Tek, Victor

Yu Chuen Tek, Victor is our Director since 1987 and was appointed Executive Director in 1995. He is now the Senior Executive Director of the Group. His main portfolio includes strategic planning and overseeing the finance and corporate affairs to ensure the Group's growth is aligned with our corporate objective. Mr Yu holds a Bachelor of Business Administration degree from the University of Singapore.

Lim Jit Yaw, Jeremy

Lim Jit Yaw, Jeremy is an Executive Director of the Group since 2002. He was appointed the Chief Operating Officer of Cortina Watch Pte Ltd in 2011. His duties include the management of the overall operations and merchandising of retail outlets in Singapore, Thailand, Malaysia and Indonesia. Prior to joining us in 2000, he was an audit senior with KPMG Singapore from 1997 to 2000. Mr Lim graduated from Edith Cowan University, Australia with a Bachelor of Business majoring in Accounting and Finance. Mr Lim has been the President of the Singapore Clock and Watch Trade Association since April 2012.

Chin Sek Peng, Michael

Michael Chin is the Managing Partner of PKF-CAP group of entities including PKF-CAP LLP, a firm of chartered accountants based in Singapore. He is also the co-founding Director of PKF-CAP Advisory Partners Pte Ltd, a company engaged in the provision of consultancy and business advisory services.

Michael started his audit training in London. After qualifying as a chartered accountant, he joined legacy Price Waterhouse and worked in UK, Europe and Singapore from1983 to 1994.

In 1994, he joined the Institute of Singapore Chartered Accountants ("ISCA") as the first Practice Review Director, heading, running and regulating the compliance of work standards of all audit practices in Singapore. In 1999, Michael joined legacy Arthur Andersen as a partner in its Assurance and Business Advisory division and in 2002 he left the firm to set up his own audit and consultancy practices with other partners.

He holds a Bachelor of Arts (Honours) degree in Accounting and Finance from Lancaster University in the United Kingdom and is a Fellow (practising) Chartered Accountant of Singapore and a Fellow Member of the Institute of Chartered Accountants in England and Wales. He was formerly a Council member of ISCA as well as the Chairman of The Public Accounting Practice Committee. He continues to be a member on the Senior Quality Assurance Advisor panel review programme.

Michael serves as Independent Director mainly in the capacity as Audit Committee Chairman to several public companies listed on the Singapore Exchange and is a member of the Institute of Internal Auditors, Singapore.

Board of Directors

Lau Ping Sum, Pearce

Lau Ping Sun, Pearce was appointed Independent Director since 2002. He has held management positions in both the public and the private sectors. Mr Lau was the Member of Parliament for Yio Chu Kang and the Ang Mo Kio GRC from 1980 to 1996. He is a director of several publicly listed companies. Mr Lau holds a Bachelor of Economics from the Australian National University and a Diploma in Business Administration from the then University of Singapore. He is a member of the advisory committee on translation and interpretation at Singapore University of Social Sciences (SUSS) and a member of the Institute of Directors.

Lee Ah Fong, James

Lee Ah Fong, James was appointed Independent Director on 15 April 2010. James was a civil servant before becoming a practising lawyer in 1981. He is currently a partner of law firm Ng, Lee & Partners. James is the Chairman of Yuying Secondary School Management Committee and has been serving in various capacities in Non-Government Organisations and clan associations for many years. James is also an Independent Director of another two listed companies in Singapore.

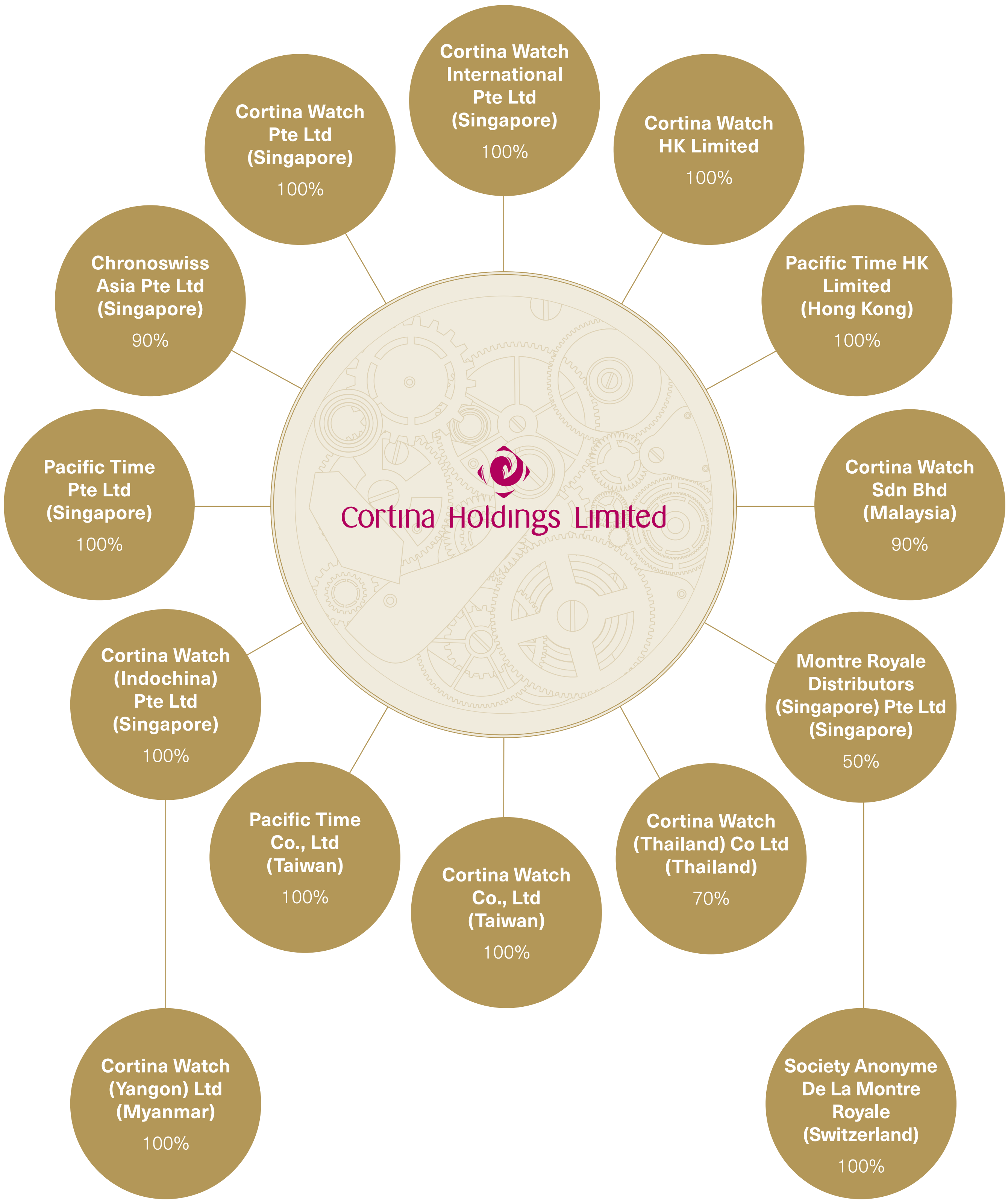
Foo See Jin, Michael

Foo See Jin, Michael is one of the founders of our Group and was a Non-Executive Director of our Group from 1972. He was designated as Independent Director since November 2013. He has been in the food and beverage industry for over 37 years.

Long Foo Pieng, Benny

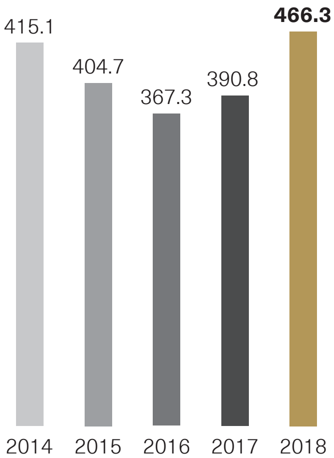
Long Foo Pieng, Benny was appointed as Non-Executive Director of our Group from 2000. He was designated as Independent Director since November 2013. Prior to joining us, he was an aircraft engine specialist with Pratt and Whitney Canada (S.E.A) Pte Ltd. Mr Long holds an Associate Degree in Aviation Maintenance Technology from Embry-Riddle Aeronautical University in Florida, the United States of America.

Group Structure

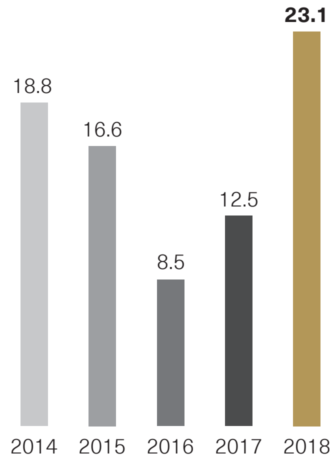


Financial Highlights

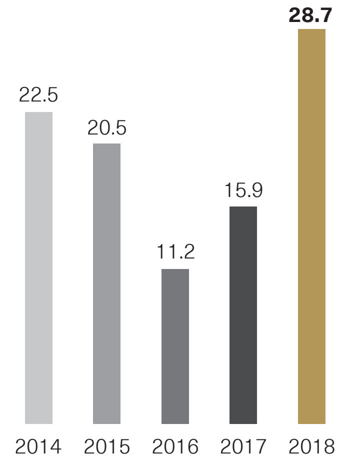
Turnover
(S$'M)



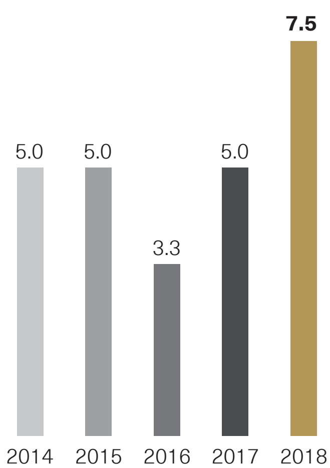
Profit After Tax
(S$'M)



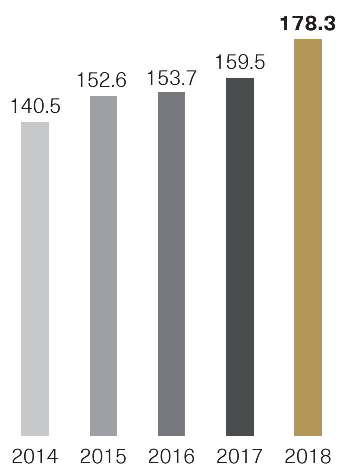
Profit Before Tax
(S$'M)



Dividend (Net)*
(S$'M)



Shareholders' Equity
(S$'M)



13.5¢
Basic Earnings Per Share

107.7¢
Net Assets Per Share

	FY2014	FY2015	FY2016	FY2017	**FY2018**
S$ Million					
Turnover	415.1	404.7	367.3	390.8	466.3
Profit before Tax	22.5	20.5	11.2	15.9	28.7
Profit after Tax	18.8	16.6	8.5	12.5	23.1
Dividend (Net)*	5.0	5.0	3.3	5.0	7.5
Shareholders' Equity	140.5	152.6	153.7	159.5	178.3
Cents					
Basic Earnings Per Share	11.1	9.2	5.1	7.1	13.5
Net Assets Per Share	84.9	92.1	92.8	96.3	107.7

Corporate Information

BOARD OF DIRECTORS

Mr Lim Keen Ban, Anthony
Chairman and CEO

Mr Lim Jit Ming, Raymond
Deputy Chairman and Deputy CEO

Mr Yu Chuen Tek, Victor
Senior Executive Director

Mr Lim Jit Yaw, Jeremy
Executive Director

Mr Chin Sek Peng, Michael
Lead Independent Director

Mr Lau Ping Sum, Pearce
Independent Director

Mr Lee Ah Fong, James
Independent Director

Mr Foo See Jin, Michael
Independent Director

Mr Long Foo Pieng, Benny
Independent Director

COMPANY SECRETARIES

Ms Foo Soon Soo
FCIS, FCPA (Singapore),
FCPA (Australia), LLB
(HONS) (London)

Ms Edna Pansy Low
ACIS

AUDIT COMMITTEE

Mr Chin Sek Peng, Michael
Chairman

Mr Lau Ping Sum, Pearce

Mr Lee Ah Fong, James

REMUNERATION COMMITTEE

Mr Lau Ping Sum, Pearce
Chairman

Mr Lee Ah Fong, James

Mr Foo See Jin, Michael

NOMINATING COMMITTEE

Mr Lee Ah Fong, James
Chairman

Mr Chin Sek Peng, Michael

Mr Yu Chuen Tek, Victor

Mr Lau Ping Sum, Pearce

REGISTERED OFFICE

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Fax: (65) 6336 7913
www.cortina.com.sg
Co. Registration No.: 197201771W

REGISTRAR AND SHARE TRANSFER OFFICE

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333 North Bridge Road
#08-00 KH KEA Building
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Person-in-charge:
Ms Foo Soon Soo

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road #03-08
Wilkie Edge
Singapore 228095

Partner-in-charge:
Ms Woo E-Sah
(a member of the Institute of
Singapore Chartered Accountants)
Year of Appointment:
Reporting year ended
31 March 2017

Sustainability Report

Contents

Board Statement

We are pleased to publish and share with you our sustainability report that is in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards) for Financial Year (FY) 2018. We concluded our first materiality assessment which helped us to identify the topics deemed to be material to our stakeholders. Being sustainable in today's world is especially important for the growth of a business and it demonstrates how we incorporate our values into our operations, as well as our commitment to engage with our stakeholders.

We take pride in being one of the leading retailers and distributors of international luxury timepieces in Asia. Through maintaining close ties with the community, we have become the household brand today. In our journey thus far, many timeless friendships were forged.

We treat our customers as partners of our business and we have continuously form strong collaborations with synergistic parties that continue to aid us in solidifying our future prospects, giving us greater market presence and enhancing value for our partners.

Through this report, we have picked 5 Environmental, Social and Governance ("ESG") issues to expound on. These are namely: Economic Performance, Anti-Corruption, Employment, Local Communities and Customer Privacy.

About This Report

Report Background

Cortina Holdings Limited Sustainability Report adopts the GRI Standards: Core option, as well as the SGX Guide to Sustainability Reporting for Listed Companies. Cortina Holdings Limited, ("Cortina", and together with its subsidiaries, the "Group"), recognises that sustainability reporting is critical to the long term success and growth of the business; hence we have published this sustainability report to communicate the efforts that we have made.

Our report focuses on our performance from 1 April 2017 to 31 March 2018 across the Group, which covers the Group's operations across Singapore and Asia regions where principal activities are carried out.

Risk management procedures are in place to identify major business risks and management regularly reviews the Group's strategic, operational, financial and compliance risks through a precautionary and holistic approach. The Group has also designed processes to collect and/or estimate, assess and report on the data for this Sustainability Report and we plan to continue to report on our progress annually.

We have not sought external assurance for our sustainability report of FY2018. Any queries in relating to this Sustainability Report, please contact us at www.cortina.com.sg.

Understanding our most material ESG Factors

Through continuous engagement with our key stakeholders, we understand and prioritise the key issues identified which have influence on stakeholders' decision.

Hence, we proudly present our first sustainability report which discuss the challenges and material issues that are important to our stakeholders, our strategy in managing these challenges and issues, and how we have performed in terms of our key performance indicators.

Reporting Principles

We adopted the GRI principles for defining the sustainability report content and quality. We looked into using the principles of stakeholder inclusiveness, sustainability context, materiality and completeness to put together a comprehensive report. For the quality of this report, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness.

Company Profile

Cortina Holdings Limited is a public company limited by shares and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 22 June 2002. Our headquarter office is located at 391B Orchard Road #18-01 Ngee Ann City Tower B, , Singapore 238874.

Cortina Holdings Limited was founded in 1972 and has now grown to be an established player in the luxury timepiece retail and distribution industry in Asia.

Over the last 40 years, we have grown Cortina from a single retail outlet in Colombo Court to a network of retail boutiques across the Asia region and we remain steadfast in our mission to establish ourselves as a leading retailer and distributor of luxury timepieces and accessories across the Asia Pacific region.

Cortina Holdings Limited is focused in the retail and distribution of luxury watches. Presently, we distribute various brands of watches to the domestic market, as well as foreign markets such as Hong Kong, Malaysia, Indonesia, Thailand and Taiwan. Our distribution business comprises wholesale and agency businesses.

We strive to continue innovating and delivering the familiar experience our valued watch aficionados are used to in our boutiques.

Currently, we have 28 outlets located in Singapore, Malaysia, Thailand, Hong Kong and Taiwan and 4 distribution networks in Singapore, Indonesia, Taiwan and Hong Kong. Profit net of tax for FY 2018 amounted to S$23.1 million. The Group carries a variety of watches such as Patek Philippe, Rolex, Baume & Mercier, Blancpain, Bvlgari, Cartier, Chopard, Chronoswiss, Corum, Gucci, Omega, and Piaget.

Sustainability Report

Governance and Sustainability Approach

Our sustainability efforts are led by our Board of Directors who ensures that the Group's business objectives are in line with our commitments to sustainable development. Senior management is responsible for on-going communication to the Board of Directors. We have consulted our Board of Directors and conducted internal discussion with regard to the economic, environmental, and social topics as well as report content.

The Group embraces sustainability not only as a guiding principle, but on strategic and operational levels. As the Group progresses towards the next phase of growth, we remain focused on our mission of being a leading retailer and distributor of luxury timepieces and accessories across Asia Pacific region. As we forge ahead, we also commit to the long-standing Cortina brand, ensuring that it remains a brand of choice among our valued customers, partners and suppliers in all our markets. We believe in the longevity of the Cortina brand, our ability to maintain a high-quality retail network and our dedication to foster excellent relationships with partners and customers.

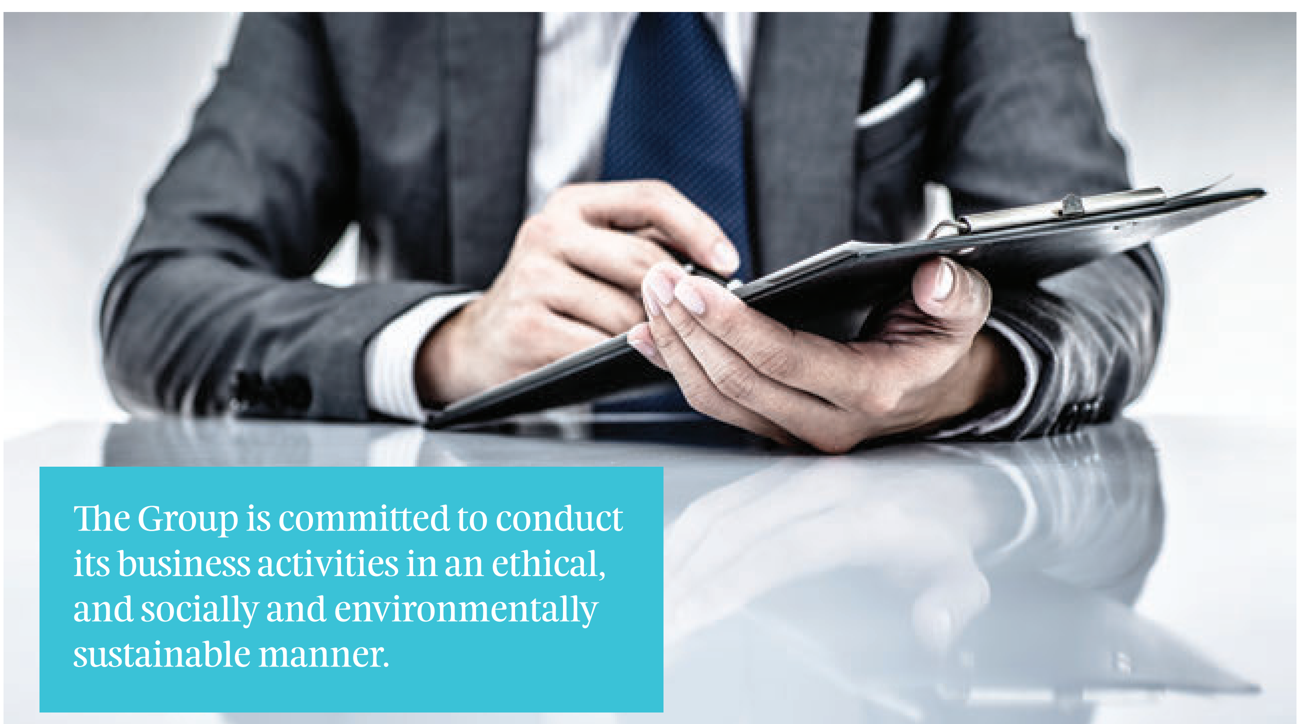
The Group is committed to conduct its business activities in an ethical, socially and environmentally sustainable manner. We ensure that our business operations and processes are managed in a way that minimises its impact on our environment. The Group recognises the importance of and is committed to ensuring a healthy and safe work environment for the well-being of our employees. Employees are also expected to maintain the highest standards of integrity and trust in all business relationships and dealings. The Group places great emphasis on accountability, transparency, ethical business conduct and good corporate governance.

Supply Chain Management

Our major suppliers are selected based on, amongst others, brand value and experience, expertise and quality. We aim to build a responsible and sustainable supply chain. We aim to source responsibly, including evaluating and selecting supplier partners that meet high standards in areas such as ethical conducts and workplace standards.

By improving oversight of our supply chain, we can identify opportunities to streamline and reduce costs; protect our reputation and that of our clients.

We strive to maintain long-standing and good working relationships with suppliers which would make our relationship with suppliers sustainable. We believe by combining key brands and good relationship with suppliers, this could make our brand better and well-received.



The Group is committed to conduct its business activities in an ethical, and socially and environmentally sustainable manner.

External Initiatives

We are always eager to welcome our friends to share our passion and some of the initiatives that we have taken up include promoting wushu in schools of the local communities. Furthermore, the Group hopes to engage in more external initiatives programs to encourage individuals to get involved in arts scene and appreciating local talents.

As 2017 marks Switzerland's 50 years of diplomatic relations with the Republic of Singapore, Cortina is honoured to partner Embassy of Switzerland to showcase a series of exciting tourism, cultural and culinary activities to the local community. Swiss cows were decorated by fashion students and they were displayed at PARAGON and the cost of each Swiss cow stands at $3,000. All proceeds were donated to The Business Times Budding Artists Fund to promote local young talents development.

Our chairman, Mr Anthony Lim, is known for his philanthropic efforts in supporting education, medicine, arts and culture. He has made significant donations to 17 various Non-Profit Organisations (NPOs), schools and charities such as Hainan Business Club, Ren Ci Hospital, Singapore Chinese Cultural Centre and Singapore University of Social Sciences (SUSS).

We also invited students from Pei Chun Public School to perform martial arts and Yu Ying Secondary School to perform Chinese Orchestra and Guitar Ensemble Group during our 45th Anniversary. This promotes cultural harmony and appreciation of local artistes in Singapore.

CSR–Swiss Cows with a Fashion Twist

PARAGON | Raffles Design*Institute*

- 5 Swiss Cows will be decorated by the fashion students and adopted by local/ Swiss Companies
- The Fashion Cows will be displayed at Paragon during the Swiss-Singapore Celebration
- Company names will be displayed alongside with adopted cow
- Each cow cost $3,000. Nett off proceed of the adoption cost will go to the **Business Times Budding Artists Fund** to promote local young talents development
- Tax exemption receipt will be issued

The Business Times Budding Artist Fund

Mission
To provide young people, aged 6 to 19 from financially disadvantaged families, an opportunity to pursue arts training and to nurture their artistic talents.

Website: http://baf.sg

Membership of Associates

To further the sustainability cause at home and abroad, the Group's board members has been represented on various industry bodies and public organisations. Moving forward, the Group will continue to partner the industry and form collaborations in support of the Singapore government's agenda of becoming a smart and sustainable city.

Shareholder Engagement

As we embark on our sustainability journey, it is important to identify our stakeholders and material aspects relevant to our business operations. The feedback arising from our stakeholders are taken into account when formulating corporate strategies.

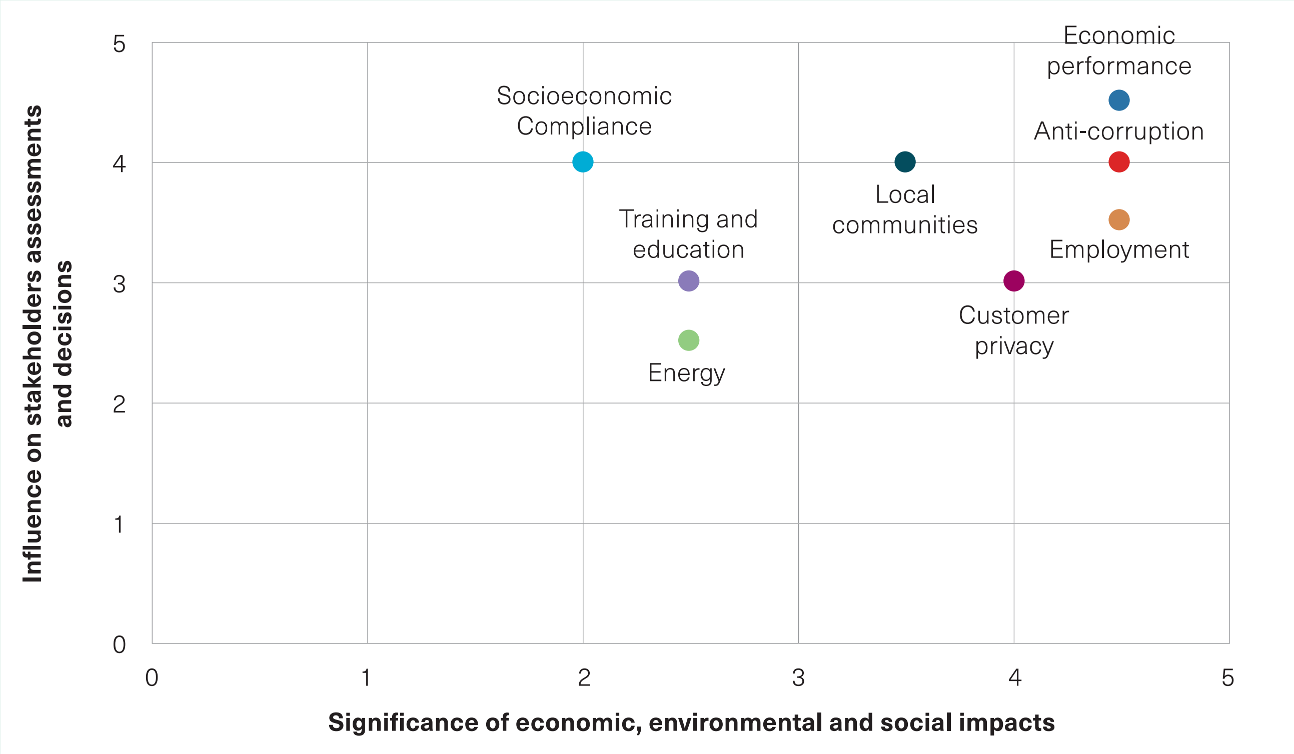
We have identified our stakeholders from our business dealings and our interaction with the community. We would engage with the different stakeholders on an ongoing basis to address concerns and seeking ways to improve the Group's business.

Stakeholder Group	Engagement Activities	Stakeholder Expectations	Frequency
Customers	Refurbishment and upgrading of newly opened and existing boutiques which enhances the customer experience and hosting of experiential events to strengthen customer relationships	Exceptional shopping experience with a variety of luxury timepieces	Daily
Suppliers	Maintain business dealings with suppliers that meet high standards in areas such as ethical conducts and workplace standards	Compliance with terms and conditions of purchasing policies and procedures, and maintain high ethical standards	Monthly
Employees	Provide a conducive environment for work and implement trainings for staff	Staff rights and welfare, personal development, good working environment	Daily
Shareholders	Unaudited quarterly results are published timely to show economic performance	Profitability, transparency, timely reporting, fair purchasing practices	Quarterly
Financial Institutions	Maintain good relationships with bankers	Transparency, timely reporting	Half-yearly
Business Partners	Held events such as Swiss Event, collaborated with business partners to showcase evolution of time, history of watchmaking	Partnership for opportunities and growth	Monthly
Government and Regulators	Maintain good working relationship with regulators and disclose pertinent information timely	Environmental-friendly business approach, compliance with regulations, timely reporting and resolution of issues	Quarterly

Defining the Materiality Issues

Our material issues are identified based on the significance of our ESG and economic impacts and the degree of influence they have on stakeholder assessments and decisions. In light of fresh stakeholder feedback, new trends in sustainability, challenges facing the industries, experts' views and our own business goals, we had considered several topics that are material to our stakeholders. Therefore, we focus our sustainability efforts and reporting on these issues.

The following table summarises our list of relevant sustainability topics and ranking results. The topics are ranked and assessed through our engagement process with respective stakeholder groups.



Sustainability Topics

1. Economic Performance
2. Anti-corruption
3. Employment
4. Local communities
5. Customer Privacy

Economic Performance

The Group has chosen Economic Performance as one of the material topics to discuss as sustaining healthy profits creates competitive edge and generates tangible value for its shareholders, customers, employees and society at large. Furthermore, intangible assets such as leadership quality, organisational excellence, brand equity, environmental management and human capital contribute to the Group's success. Please refer to Annual Report 2018 for the financial highlights of the Group.

The Group continuously reviews its economic performance as compared to the industry performance and benchmark against industry comparables as appropriate.

During our reporting period, there were no substantial changes to the Group's size, share capital structure, ownership and supply chain distribution.

Subsequent reporting for FY 2019

For FY 2019, the Group expects to maintain and ensure its financial stability and generate positive returns to its stakeholders.

"The increase could be attributed to the Group's focus on improving customer experience, maximising contributions from new and refurbished stores and hosting effective marketing and networking events."

"The robust profit growth was achieved on the back of our ability to optimise our product mix with higher value products and improve operational efficiency."

"We will continue to enhance our marketing efforts to increase same-store sales, improving service quality, provide exceptional customer experience and continuously seek opportunities to expand our retail network."

Anti-corruption

We believe that good corporate governance establishes and maintains an ethical environment within the Group, which serves the interests of all shareholders and stakeholders. The Group has adopted the Code of Corporate Governance 2012 to regulate the standards of ethical conduct of the Group, which provides that its Directors, officers and employees are required to observe and maintain high standards of integrity in compliance with the law, regulations and Group policies.

The Group has in place a whistle-blowing policy in all operations that the Group has to deal with including staff concerns about improprieties. The AC oversees the administration of the framework and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up actions.

There was no reported incident of corruption in the reporting period.

Subsequent Reporting for FY 2019

For FY 2019 sustainability reporting, the Group targets to formally establish its anti-corruption policies and conduct trainings on anti-corruption for governance members and employees on a regular basis within Singapore.

The Group also hopes to maintain its zero record in corruption cases, and continues to cultivate an anti-corruption environment and trainings for its employees.

Employment

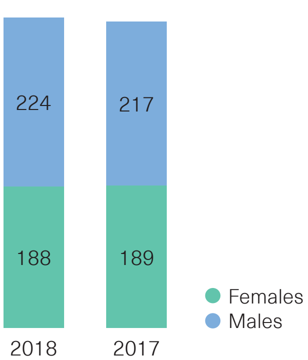
To ensure that the Group continues to provide exceptional customer service, the Group recruits dynamic individuals from diverse backgrounds, illustrated through the various qualifications, nationalities and ages of our employees. The Group is committed to provide and train our employees to achieve their full potential by providing equal opportunities to individuals. Our hiring policies are of a certain level of transparency and fairness for employees.

The Group remuneration ensures that employees receive wages that meet the legal and industry minimum standards which are sufficient for their own and family needs. Overtime hours are paid at a premium rate of 1.5 times their usual hourly rate with bonuses given on a yearly basis upon successful completion of competitively attainable goals set before the end of the year. We provide insurance, health care benefits, parental leave, stock ownership, parental leave, retirement provisions for our full time employees. We monitor our compensation package to ensure that we stay competitive in the industry.

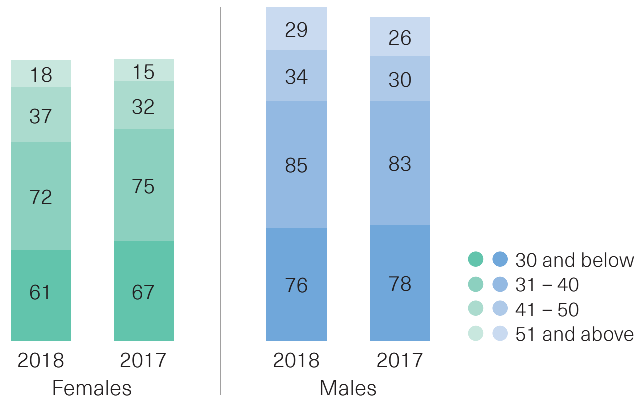
From FY 2017 to FY 2018, the employee turnover rate for employees was 20%. In compiling these statistics, we have made certain assumptions such as employment for more than 3 months are considered permanent employees.

As at 31 March 2018, we have 412 employees.

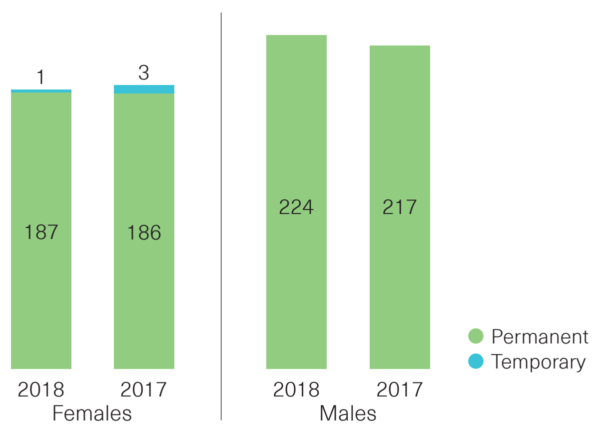
By Gender as at 31 March 2018



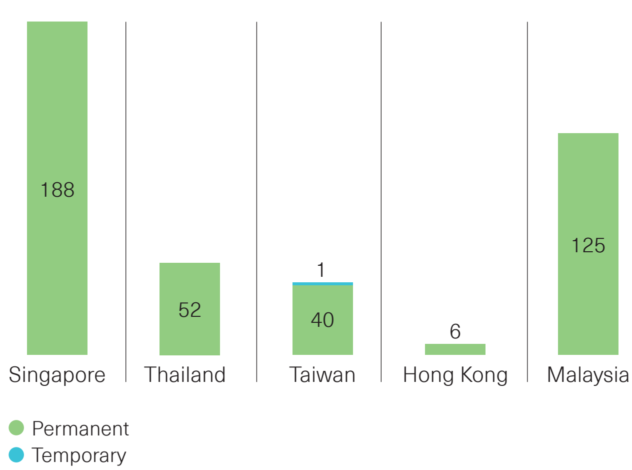
By Gender and Age as at 31 March 2018



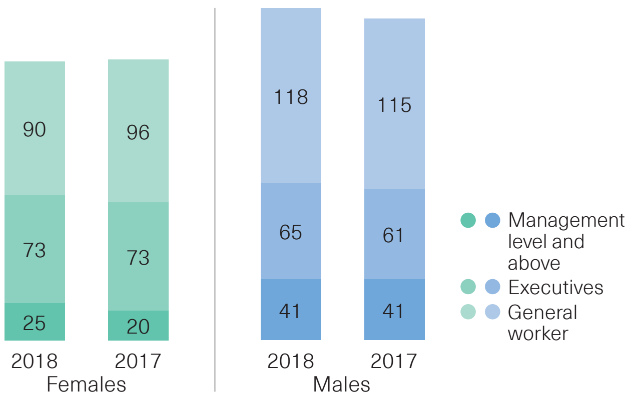
By Employment Type as at 31 March 2018



By Employment Type, Region as at 31 March 2018



By category as at 31 March 2018



Subsequent reporting for FY 2019

For FY 2019, the Group targets to conduct training and programmes to develop individuals and provides opportunities for them to reach their full potential. The Group continues to strive to provide equal gender opportunities and provide equal recruitment opportunities to all ages.

Local Communities

Apart from maintaining good relationship with our customers and shareholders, the Group is actively involved in the local community by hosting events and engaging the public. Engaging the community is important for the Group due to as we want to have a constant interaction with our various stakeholders.

During the reporting period, we have engaged the local community through various events. In the month of August 2017, we held timepiece exhibition where Cortina Watch invited 4 Swiss brands to participate in the event. The Group also had PARAGON- Swiss and Singapore Joint Celebration as 2017 marks the 50th years of diplomatic relationships between the two countries. In November 2017, the Group celebrated its 45th anniversary where we invited students to perform during the celebration and made significant contributions to charities.

As for FY 2018, the Group has looked into developing more programmes and hosting of similar events that we held before and introduced new timepieces to the public.

Subsequent reporting for FY 2019

For FY 2019, the Group is looking at developing new programmes and hosting of other events to explore new opportunities and markets. Apart from Singapore, the Group wishes to host events in foreign countries in which the Group has operations in.

Customer Privacy

Customers, employees and others care about the privacy and security of their data, and the Group takes our responsibilities seriously. This is especially important when the Personal Data Protection Act ("PDPA") came into effect in 2012. The Group has an established governance infrastructure to drive a holistic approach to the privacy and security of data entrusted to us. This includes a number of policies and directives to ensure the continuing confidence of those who entrust us with their personal information. These policies require transparency, responsible data handling and use, and choice where appropriate.

We have evaluated our governance infrastructure policy regularly and fine tune it to minimise any loopholes which may result in violating customer privacy. On a periodic basis, we provide trainings on PDPA policies to governance members and relevant employees.

During the reporting period, we did not receive any substantiated complaints relating to breaches of customer privacy and there were no cases of data loss due to leaks and thefts.

Subsequent reporting for FY 2019

We take customers' privacy seriously and we target to continue to achieve zero complaint relating to breaches of customer privacy.

Global Reporting Initiative (GRI) Content Index

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
GENERAL DISCLOSURE	
Organisational Profile	
102-1 Name of the organisation	Page 23
102-2 Activities, brands, products, and services	Page 23
102-3 Location of headquarters	Page 23
102-4 Location of operations	Page 23
102-5 Ownership and legal form	Page 23
102-6 Markets served	Page 23
102-7 Scale of the organisation	Page 23
102-8 Information on employees and other workers	Page 29 - 30
102-9 Supply chain	Page 24
102-10 Significant changes to the organisation and its supply chain	The Group do not have significant changes made to its supply chain
102-11 Precautionary principle or approach	Page 24
102-12 External initiatives	Page 25
102-13 Membership of associations	Page 26
Strategy	
102-14 Statement from senior decision maker	Page 28
Ethics and Integrity	
102-16 Values, principles, standards, and norms of behaviour	Page 22
Governance	
102-18 Governance structure	Annual Report 2018
Stakeholder Engagement	
102-40 List of stakeholder groups	Page 26
102-41 Collective bargaining agreements	The Group do not have bargaining agreements
102-42 Identifying and selecting stakeholders	Page 26
102-43 Approach to stakeholder engagement	Page 26
102-44 Key topics and concerns raised	Page 27 - 30
Reporting Practice	
102-45 Entities included in the consolidated financial statements	Annual Report 2018
102-46 Defining report content and topic boundaries	Page 22
102-47 List of material topics	Page 27
102-48 Restatements of information	Not Applicable
102-49 Changes in reporting	Not Applicable
102-50 Reporting period	Page 22
102-51 Date of most recent report	Not Applicable
102-52 Reporting cycle	Page 23
102-53 Contact point for questions regarding the report	Page 23
102-54 Claims of reporting in accordance with the GRI Standards	Page 23
102-55 GRI content index	GRI content index
102-56 External assurance	Page 23

Global Reporting Initiative (GRI) Content Index

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
MATERIAL TOPICS	
GRI 201: Economic Performance	
103-1 Explanation of the material topic and its boundaries	Page 28
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
201-1 Direct Economic value generated and distributed	Annual Report 2018
201-2 Financial implications and other risk and opportunities due to climate change	Not Applicable
201-3 Defined benefit plan obligations and other retirement plans	Annual Report 2018
201-4 Financial assistance received from government	
GRI 205: Anti-Corruption	
103-1 Explanation of the material topic and its boundaries	Page 28
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
205-1 Operations assessed for risks related to corruption	
205-2 Communication and training about anti-corruption policies and procedures	
205-3 Confirmed incidents of corruption and actions taken	
GRI 401: Employment	
103-1 Explanation of the material topic and its boundaries	Page 29 - 30
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
401-1 New employee hires and employee turnover	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3 Parental leave	
GRI 413: Local Communities	
103-1 Explanation of the material topic and its boundaries	Page 30
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
413-1 Operations with local community engagement, impact assessments, and development programs	
413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 418: Customer Privacy	
103-1 Explanation of the material topic and its boundaries	Page 30
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	

Note:
The Group takes a phased approach to the adoption of GRI indicators and will review the relevance indicators marked "N/A" to its operations annually.

Cortina Holdings Limited (the "Company") is committed to ensure high standards of corporate governance and this report outlines the Company's corporate governance practices with reference to the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the "Code"). The Company has complied in all material aspects with the principles and guidelines of the Code, and where there were deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Board's Conduct of its 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 the Management remains accountable to the Board.

The Board of Directors (the "Board") comprises an Executive Chairman, an Executive Deputy Chairman, two Executive Directors, and five Independent Directors. The Board has the appropriate mix of core competencies and diversity of experience to direct and lead the Company. As at the date of this report, the Board comprises the following members:

Mr Lim Keen Ban	(Chairman and CEO)
Mr Lim Jit Ming	(Deputy Chairman and Deputy CEO)
Mr Yu Chuen Tek	(Senior Executive Director)
Mr Lim Jit Yaw	(Executive Director)
Mr Chin Sek Peng, Michael	(Lead Independent Director)
Mr Lau Ping Sum, Pearce	(Independent Director)
Mr Lee Ah Fong	(Independent Director)
Mr Foo See Jin	(Independent Director)
Mr Long Foo Pieng	(Independent Director)

Guidelines 1.1 & 1.2
Board's Role

The primary role of the Board is to protect and enhance long-term shareholders' value. It provides entrepreneurial leadership, sets the corporate strategies of the Group and sets directions and goals for the Management (comprising the key executive officers of the Group). It supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group. The Board also considers sustainability issues of its business strategy. In accordance with the listing requirements, the Company has included its sustainability report as part of this annual report, and also made it available on SGXNET and the Company's website at www.cortina.com.sg.

The principal responsibilities of the Board are to:

(a) provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Company to meet its goals and objectives;

(b) establish 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;

(c) review Management performance;

(d) identify key stakeholder groups and recognise that their perceptions affect the Group's reputation;

(e) set the Group's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) consider sustainability issues as part of its strategy formulation.

Guideline 1.3
Delegation of Authority to Board Committees

Delegation by the Board

The Board has formed Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The Board also constantly reviews the effectiveness of each Committee.

The current members of the Board and their membership on the Board committees are as follows:

	Board appointments		Board committees		
Name of director	**Executive Director**	**Independent Director**	**AC**	**NC**	**RC**
Lim Keen Ban	*		-	-	-
Lim Jit Ming	*		-	-	-
Yu Chuen Tek	*		-	Member	-
Lim Jit Yaw	*		-	-	-
Chin Sek Peng, Michael		*	Chairman	Member	-
Lau Ping Sum, Pearce		*	Member	Member	Chairman
Lee Ah Fong		*	Member	Chairman	Member
Foo See Jin		*	-	-	Member
Long Foo Pieng		*	-	-	-

Guideline 1.4
Meetings of Board and Board Committees

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2018:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	**4**	**5**	**1**	**2**
Name of Directors	**Number of meetings attended**			
Lim Keen Ban	4	N.A	N.A	N.A
Lim Jit Ming	4	2*	N.A	N.A
Yu Chuen Tek	4	N.A	1	N.A
Lim Jit Yaw	3	4*	N.A	N.A
Chin Sek Peng, Michael	4	5	1	N.A
Lau Ping Sum, Pearce	4	5	1	2
Lee Ah Fong	4	5	1	2
Foo See Jin	4	N.A	N.A	2
Long Foo Pieng	4	N.A	N.A	N.A

*Attended meeting as invitee

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. It also takes into account the contributions by board members in other forms including periodic review, provision of guidance and advice on various matters relating to the Group.

Guideline 1.5
Internal Guidelines on Matters Requiring Board Approval

The Board has adopted internal guidelines governing matters that require the Board's approval. Matters specifically reserved for the Board's decision are:

(a) matters involving a conflict of interest for a substantial shareholder or a director;

(b) strategic policies of the Group;

(c) annual budgets;

(d) public release of periodic financial results;

(e) material acquisitions and disposal of assets;

(f) corporate or financial restructuring;

(g) share issuances, interim dividends and other returns to shareholders; and

(h) any investment or expenditure not in the ordinary course of business and where the transactions fall within Rule 1004 (b) to (d) of the Listing Manual.

Independent judgement

All directors exercise due diligence and independent judgement, and make decisions objectively in the best interests of the Group.

Guidelines 1.6 and 1.7
Orientation, briefings, updates and trainings provided for directors

The Company has in place an orientation process. A new incoming independent director will be issued a formal letter of appointment setting out his duties and obligations.

Incoming directors joining the Board will be briefed by the NC on their directors' duties and obligations and will be introduced to the Group's business and governance practice, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

The incoming director will meet up with the senior management and the Company Secretary to familiarise himself with their roles, organisation structure and business practices. This will enable him to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary.

The directors are continually and regularly updated on the Group's business and governance practices, changes to the accounting standards and regulatory updates, the Code of Corporate Governance and Listing Manual by the Company Secretary and the auditors. The directors are also encouraged to be members of the Singapore Institute of Directors (SID) and for them to receive updates and training from SID. Briefings and updates provided for directors in FY2018 included the following:

- At every AC meeting, the external auditors briefed the AC members on developments in accounting and auditing standards whenever there are changes or update to such standards;
- The Board was briefed on the implementation of the Companies (Amendment) Act 2017 compliance with SGX Listing Rules and proposed changes to the Code of Corporate Governance by the Company Secretary;
- The CEO updated the Board at each meeting on business and strategic developments;
- The directors also attended briefings, courses and seminars where appropriate to update themselves on the latest developments in the areas of financial reporting, corporate governance and any other areas relevant to directors; and
- Apart from discussion at Board meetings, the directors were also provided with timely updates on developments within the Group on a regular basis, mainly through emails. Two-way communication between the directors and the management was maintained throughout the year.

Board Composition and Guidance

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

Guidelines 2.1 and 2.2
Independent Element of the Board

The Board consists of nine Directors, four of whom are Executive Directors and five are Independent Directors, one of them being the Lead Independent Director.

Guideline 2.3
Independence of Directors

The criterion for independence is based on the definition given in the Code. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. The independence of each Director is reviewed annually by the NC, based on the definition of independence as stated in the Code.

For the purpose of determining directors' independence, every director has provided declaration of his independence which is reviewed by the NC and the Board. Except for the executive directors, all the other directors on the Board are considered by the NC and the Board to be independent directors.

Guideline 2.4
Review of Independent Directors

Independent Directors, Mr Lau Ping Sum, Pearce, Mr Foo See Jin, Mr Long Foo Pieng and Mr Chin Sek Peng, Michael have served the Board for more than nine years from the date of each of their first appointment.

The NC had implemented a framework for the rigorous review of the independence of directors who have served for more than 9 years. Each of the above directors was required to complete a rigorous self-assessment form to confirm his independence under stricter criteria over and above the guidelines set out in the Code. Under such rigorous review, each Independent Director has confirmed that he nor any of his immediate family has any relationship or business dealings with a controlling shareholder, director or key management personnel or their associates that would give rise to a conflict of interest or impairment of the Independent Director's independence. In addition, each of the directors was subjected to a peer review by the other directors who completed a peer assessment form which critically assessed the demonstration of his independence and objectivity in the interest of the Company and shareholders.

The NC and the Board had reviewed the rigorous self-assessment forms completed by the above directors and the peer review forms which critically assessed each of the directors' independence.

The NC and the Board were of the view that Mr Lau, Mr Foo, Mr Long and Mr Chin had maintained their objectivity and independence at all times in the discharge of each of their duties as Director of the Company. They had each continually engaged the management and Executive Directors in candid discussion and provide constructive and impartial guidance to ensure due governance processes were in place such as the setting of accounting policies, the use of management judgement and estimates in subjective areas of accounting, establishment of risk management framework and the setting of remuneration of Executive Directors, key management personnel and relative appointments.

In addition, the NC and the Board had reviewed rigorously whether Mr Foo's independence was in any way compromised by his 4.3% shareholding in the Company and long years of service on the Board. The NC and Board noted that Mr Foo's shareholding was acquired long time ago and that his shareholdings were viewed by the Board as positive, demonstrating his commitment to the interest of the Company.

The NC and the Board had also reviewed rigorously whether Mr Long's independence was in any way compromised by his 5.2% shareholding in the Company and long years of service on the Board. Mr Long's shareholding was acquired long time ago and the Board viewed it positively that his interest was aligned with that of the Company and all other shareholders.

Mr Lau and Mr Chin as NC members had abstained from the NC's deliberations of their own independence.

Mr Lau, Mr Foo, Mr Long and Mr Chin had abstained from the Board's deliberations of their own independence.

Guidelines 2.5 & 2.6
Composition and Competency of the Board

The Board is of the view that the current Board comprises persons whose diverse skills, experience and attributes provide for effective direction of the Group. The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

Guideline 2.7
Role of Non-Executive Directors

During the year, the Non-Executive Directors constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors and Executive Directors, as a full board.

Guideline 2.8
Regular Meetings of Non-Executive Directors

During the year, the Non-Executive Directors communicate among themselves without the presence of Management as and when the need arises. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

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.

Guidelines 3.1 and 3.2
Chairman and CEO

Mr Lim Keen Ban is both the Chairman of the Board and the CEO of the Company.

As the Chairman, Mr Lim Keen Ban leads the Board in setting the agenda for board meetings and ensure that adequate time is available for discussion of all agenda items in particular strategic issues and promote good governance.

As CEO, he has executive responsibilities for executing the strategies set by the Board, and for the Group's performance.

In assuming his roles and responsibilities, Mr Lim Keen Ban consults with the Board, AC, NC and RC on major issues. Mr Chin Sek Peng, Michael has been the Company's Lead Independent Director since September 2007. Also, the Independent Directors make up more than half the Board. With these, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

Guidelines 3.3 and 3.4
Lead Independent Director

Mr Chin Sek Peng, Michael as Lead Independent Director is available as a channel of communication between shareholders and the Board or Management.

The independent directors meet amongst themselves without the presence of the management and executive directors where necessary, and depending on the issues and follow-up actions identified, the Lead Independent Director will provide feedback to the Chairman after such meetings.

BOARD MEMBERSHIP

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

Guideline 4.1
Nominating Committee

The Company has established the NC which is guided by the Terms of Reference approved by the Board.

The NC comprises four members the majority of whom, including its Chairman, are Independent Directors. The members of the NC are:

Mr Lee Ah Fong (Chairman)	(Independent Director)
Mr Chin Sek Peng, Michael	(Lead Independent Director)
Mr Lau Ping Sum, Pearce	(Independent Director)
Mr Yu Chuen Tek	(Senior Executive Director)

Guideline 4.2
NC Responsibilities

The NC functions under the Terms of Reference which sets out its responsibilities as follows:

- To recommend to the Board all board appointments, re-appointments and re-nominations.
- To ensure that independent directors meet SGX-ST's guidelines and criteria;
- To ensure the effectiveness of the Board as a whole and the effectiveness and contribution of each director to the Board;
- To review board succession plans for directors and key management personnel, in particular the Chairman and the CEO;
- To develop a process for evaluation of the performance of the Board, its committees and its directors, and undertake assessment of the effectiveness of the Board, Board Committees and Directors, including reviewing multiple board representations of directors where applicable;
- To review the training and professional development programmes for the Board;
- To recommend to the Board the appointment and re-appointment of Directors; and
- To assess the independence of the Independent Directors.

The Constitution of the Company requires one-third of the Board to retire from office at each Annual General Meeting. Accordingly, the directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. They can be re-elected if eligible. The CEO's appointment is not subject to this retirement by rotation.

The NC has recommended to the Board the re-election of Mr Lim Jit Ming, Mr Yu Chuen Tek and Mr Lee Ah Fong who will retire by rotation pursuant to Article 91 of the Constitution of the Company at the forthcoming meeting.

Succession planning

The NC has in place a board succession plan for Directors, in particular, the Executive Chairman and CEO. The NC has reviewed contingency arrangements for any unexpected incapacitation of the CEO or any of the top management personnel and is satisfied with the procedures in place for smooth transition.

Guideline 4.3
Determining Directors' Independence

The NC had conducted an annual review of the independence of the Independent Directors as set out in Guideline 2.4 above and had ascertained that they were independent.

Guideline 4.4
Directors' multiple board representations

The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member cannot have more than six listed Board representations including the Company. All the directors currently do not sit on the boards of more than six listed companies.

Guideline 4.5
Alternative Directors

There are currently no Alternative Directors on the Board.

Guideline 4.6
Process for the Selection and Appointment of New Directors

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board. The NC may recommend the appointment of a new director to fill a casual vacancy in the Board.

The Company has in place policy and procedures for the appointment of new directors to the Board, including a description on the search and nomination process. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include, among other things, the new director's ability to add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board discussions.

New Directors will be appointed by way of a Board resolution after the NC makes the necessary recommendation to the Board.

Guideline 4.7
Key Information on Directors

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report on pages 56 to 58 of this annual report.

Key information regarding the Directors is given in the profile of the Board of Directors in the annual report.

Board Performance

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.

Guideline 5.1
Conduct of Board Performance

The NC, as set out in the Terms of Reference, is responsible for reviewing and evaluating the Board's performance. The evaluations are based on certain objective performance criteria which are decided by the NC.

Guideline 5.2
Performance Criteria for Board Evaluation

The NC has with the Board's approval, implemented a process for annually assessing the effectiveness of the Board and the contribution by each individual director to the effectiveness of the Board on an annual basis.

The Board evaluation process involves having the directors complete a performance evaluation form seeking their evaluation on various aspects of board performance, such as the Board's level of governance, effective delegation to the Board committees, leadership and accountability. The Company Secretary compiles the directors' evaluation into a consolidated report. The report is discussed at the NC meeting and is also shared with the entire Board. The NC was also able to assess the Board Committees through their regular reports to the Board on their activities.

The NC had reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and was of the view that the performances of the Board Committees and the Board had been satisfactory.

Guideline 5.3
Evaluation of Individual Directors

Each individual Director conducts a self-assessment of his own performance as a Director. The individual Directors' self-assessment forms are submitted to the NC for its evaluation.

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his duties as a Director of the Company. For the current year, the Board was satisfied that each Director had allocated sufficient time and resources to the affairs of the Company.

Based on the assessment done on the contribution of individual directors, the NC was of the view that each Director had adequately carried out his or her duties as a Director and had contributed to the satisfactory performance of the Board.

Access to Information

Principle 6: In order to fulfil 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.

Guidelines 6.1 and 6.2
Board's Access to Information

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Management. The Management provides the Board with regular management reports, which includes budgets, forecasts and quarterly management accounts. In respect of budgets, any material variances between the projections and actual results are explained to the Board. Management provides Directors with information whenever necessary and board papers are sent to Directors before each Board and Board Committee meetings. The Board has unrestricted access to the Company's records and information.

As and when required, explanatory information in the form of briefings to the Directors or formal presentations at board meetings are given by senior members of management staff or by external consultants engaged on specific projects.

Guidelines 6.3
Board's Access to Company Secretary

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends all Board meetings and meetings of the Committees of the Company and ensures that relevant board and board committee procedures are followed and that applicable rules and regulations are complied with.

Guideline 6.4
Appointment and Removal of Company Secretary

The appointment and removal of the Company Secretary is subject to the approval of the Board.

Guideline 6.5
Board's Access to Independent Professional Advice

Each Director has the right to seek independent legal and other professional advices, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

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.

Guidelines 7.1 and 7.2
Remuneration Committee

The RC comprises three Directors, all of whom are independent. The members of the RC are:

Mr Lau Ping Sum, Pearce (Chairman)	(Independent Director)
Mr Lee Ah Fong	(Independent Director)
Mr Foo See Jin	(Independent Director)

The RC recommends to the Board a framework of remuneration for the directors and executive officers, and reviews the specific remuneration package for each executive director and the CEO. The RC recommends to the Board where appropriate the terms of renewal of service agreements for directors who entered into service agreement with the Company.

The RC functions under the Terms of Reference which sets out its responsibilities as follows:

- To recommend to the Board a framework for remuneration for the directors and key executives of the Company.
- To review the specific remuneration packages for each executive director;
- To recommend the compensation framework for non-executive directors to the Board of Directors and review the appropriateness of the compensation for non-executive directors for approval at the AGM;
- To review the Group's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous;
- To review the remuneration of employees who are immediate family members of a director or the CEO to ensure that the remuneration of each of such employees is commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her; and
- To review and recommend the engagement of remuneration consultant on the request of management or as it deems appropriate for the Company.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits-in-kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his remuneration.

Guideline 7.3
RC's Access to Advice on Remuneration Matters

The recommendations of the RC will be submitted to the Board for endorsement. The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

Guideline 7.4
Service Contract

Each of the Executive Directors and key management personnel has an employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on an ongoing basis or with a specified term, and no onerous or over-generous removal clauses are contained in the letter of employment.

LEVEL AND MIX OF REMUNERATION

Disclosure on 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 of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Guideline 8.1
Remuneration of Executive Directors and Key Management Personnel

The level and mix of each remuneration package of the executive directors is designed after considering the market's pay and employment conditions within the industry and in comparable companies, the individual's level of responsibilities, the Company's relative performance and the performance of individual directors. As part of its review, the RC ensures that the performance-related elements of remuneration form a significant part of the total remuneration package of executive directors and are designed to align the directors' interest with the long-term interest and risk policies of the company and of the shareholders, and link rewards to corporate and individual performance.

Service agreements are in place between the executive directors and the Company. The remuneration structure provides for basic salaries, annual wage supplement, and incentive bonus which are tied to the performance of the Group. Key management staff are compensated on a fixed plus variable basis.

The RC would periodically review the Group's remuneration framework to ensure compensation for executive directors and key management staff remain linked to both individual's and Group's performance for long-term sustainability.

Guideline 8.2
Long-term Incentive Scheme

Currently, the Company has no long term incentive scheme. The RC has reviewed and is satisfied that the existing remuneration structure for Executive Directors and key management personnel for their fixed and variable components to be paid out in cash would continue to be adequate in incentivising performance without being excessive.

Guideline 8.3
Remuneration of Non-Executive Directors

For Independent Non-Executive Directors of the Company, the structure and level of directors' fees are tied to their respective roles and responsibilities on the Board and Committees. The directors' contributions and attendance at meetings are taken into consideration in determining the directors' fee structure.

Guideline 8.4
Contractual Provisions

Currently there is no contractual provision 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 issuer. The RC would review such contractual provision as and when necessary and would put forward to the Board.

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.

Guidelines 9.1, 9.2 and 9.3
Remuneration Report

Remuneration of Directors and the CEO

A breakdown showing the level and mix of each director's remuneration for the financial year ended 31 March 2018 is as follows:

Remuneration Band and Name of Director	Fee %	Salary %	Bonus %	Other Benefits* %
$2,250,000 to $2,500,000 Lim Keen Ban (also CEO)	3	19	74	4
$1,500,000 to $1750,000 Lim Jit Ming	2	26	68	4
$1,250,000 to $1,500,000 Yu Chuen Tek	3	29	65	3
$750,000 to $1,000,000 Lim Jit Yaw	4	34	58	4
Below $250,000				
Chin Sek Peng, Michael	100	-	-	-
Lau Ping Sum, Pearce	100	-	-	-
Lee Ah Fong	100	-	-	-
Foo See Jin	100	-	-	-
Long Foo Pieng	100	-	-	-

*Other benefits refer to benefits-in-kind such as car, club membership, etc. which are made available to directors, as appropriate.

The Board is of the view that it is in the best interests of the Company that specific details of the remuneration of each individual Director and key management be kept confidential. The Board believes that the disclosure provided is in the interest of the Company as it would avoid a situation where the information might be exploited by the competitors, while allowing directors and key management staff to maintain some degree of their personal confidentiality on remuneration matters.

Remuneration of Key Executives

The remuneration paid to the key management personnel (who are not Directors or the CEO) for FY2018 is as follows:

	Salary %	Bonus %	Other Benefits* %	Total %
S$250,000 to S$499,999				
Lim Yin Chian	66	26	8	100
Yuen King Yu Andrew	70	28	2	100
Cheah Yok Khian Dorris	50	7	43	100
Tay Liam Khoon	55	40	5	100
Below S$250,000				
Tshai Kin Chon Ivan	82	18	0	100
Krist Chatikaratana	66	28	6	100

*Other benefits refer to benefits-in-kind such as car, housing allowances, etc. which are made available to key management personnel, as appropriate.

The aggregate of total remuneration paid or accrued to the key management personnel (who are not directors or the CEO) for FY2018 was S$1,745,645.)

Guideline 9.4
Immediate Family Member of Directors or the CEO

The following are employees who are immediate family members of a director or the CEO and whose remuneration exceeds S$50,000 during the financial year ended 31 March 2018:

	Relationship to director or the CEO
$250,000 to $299,999	
Chia Nyok Song @ Cheah Yoke Heng	Spouse
$200,000 to $249,999	
Cheah Kok Chong	Brother-in-law
$100,000 to S$149,999	
Lim Hui Ying	Granddaughter
$50,000 to $99,999	
Sim Kee Hoon	Sister-in-law

Guideline 9.5
Share Incentive Scheme

The Company does not have any share option or other share incentive schemes for its employees.

Guideline 9.6
Link between Remuneration and Performance

The disclosures in Guidelines 8.1 and 8.3 set out the link between remuneration and performance for Executive Directors, key management personnel and Non-Executive Directors.

ACCOUNTABILITY AND AUDIT

Accountability

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

Guideline 10.1
Accountability for Company's Performance, Position and Prospects

The Board provides a balanced and meaningful assessment of the Group's financial performance and prospects regularly through financial statements, announcement of results to shareholders and the SGX-ST as well as the Chairman's statement, and review of operations in the annual report. Financial results are released on a quarterly basis to the shareholders through SGXNET.

Guideline 10.2
Compliance with Legislative and Regulatory Requirements

The Board is accountable to the shareholders and is mindful of its obligations to ensure compliance with the Listing Rules of the SGX-ST. The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of the Listing Manual to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply. The Directors have also procured a similar undertaking by the Financial Controller in his capacity as an Executive Officer.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously together with such meetings.

Financial results and annual reports will be announced or issued within legally prescribed periods. The Board ensures timely and full disclosure of information on material corporate developments to shareholders.

The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

Guideline 10.3
Management Accounts

Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a quarterly basis.

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 the 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.

Guidelines 11.1 and 11.2
Risk Management and Internal Controls

The Board with the assistance of the AC reviews the effectiveness of the Group's material internal controls to address key financial, operational, information technology and compliance risks. In this respect, the AC reviews the audit plans, and the findings of the external and internal auditors and ensures that Management follows up on the auditors' recommendations raised during the audit process. Additionally, the Board acknowledges that no cost effective internal control system will preclude all errors and irregularities. An internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group regularly reviews its business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

Guideline 11.3
Board's Comment on Adequacy and Effectiveness of Internal Controls

The Management reviews all significant control policies and procedures and will highlight all significant matters to the Board of Directors and the AC.

For the financial year ended 31 March 2018, the Board had received assurance from the CEO and Financial Controller in the execution of their respective duties as CEO and Financial Controller and to the best of their knowledge and belief the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and the Company's risk management and internal controls systems are effective to address the key risks of the Company and its subsidiaries.

During the year, the AC on behalf of the Board had reviewed the effectiveness of the Group's risk management system and internal controls in light of key business and financial risks affecting the operations. The Group's financial risk management objectives and policies are discussed under Note 34 of the Financial Statements.

Based on the risk management system and internal controls established and maintained by the Group, the assurance from the CEO and Financial Controller as described above and work performed by the external and internal auditors ("auditors") and discussions with them, including the Management's responses to the auditors' recommendations for improvements to the Group's internal controls, the Board with the concurrence of the AC is of the opinion that the internal controls of the Group are adequate in addressing the key financial, operational, and compliance risks which are significant as at reporting date. The Board is also satisfied that the internal controls including information technology controls together with the risk management system that have been put in place is adequate and effective to address the key risks of the Group.

Guideline 11.4
Risk Committee

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the internal auditor. Having considered the nature and scope of the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

Audit Committee

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

Guideline 12.1
AC Membership

The establishment of an AC is to assist the Board in discharging its fiduciary responsibilities pertaining to accountability to the Company's shareholders and maintaining high standards of corporate governance.

The AC comprises the following members:

Mr Chin Sek Peng, Michael (Chairman)	(Lead Independent Director)
Mr Lau Ping Sam, Pearce	(Independent Director)
Mr Lee Ah Fong	(Independent Director)

Guideline 12.2
Expertise of AC Members

The Chairman of the AC, Mr Chin Sek Peng, Michael, is a public accountant, a fellow practising member of the Institute of Singapore Chartered Accountants ("ISCA"), a fellow member of the Institute of Chartered Accountants in England and Wales. Mr Chin was formerly a council member of ISCA and the Chairman of the Public Accounting Practice Committee. Mr Lau Ping Sum has the requisite financial experience having previously chaired for more than 10 years the AC of another listed company. Mr Lee Ah Fong also has experience in financial and business management. The Board is satisfied that the members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions.

Guideline 12.3
Authority of AC

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. Each member of the AC shall abstain from voting any resolutions in respect of matters he is interested in.

Guideline 12.4
Roles and Responsibilities of AC

The AC is guided by the following Terms of Reference, which include the following:

(a) To review the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before submission to the Board, focusing on such matters as:

   – going concern assumption
   – compliance with financial reporting standards and regulatory requirements
   – any changes in accounting policies and practices
   – significant issues arising from the audit
   – major areas of judgement and estimates, and
   – any other functions which may be agreed by the AC and the Board.

(b) To review the audit plans of the Group with the external and internal auditors and their evaluation of internal accounting controls including Management responses;

(c) To review the findings relating to auditing matters as presented by the external and internal auditors including any other matters which the external and internal auditors wish to discuss with the AC in the absence of Management;

(d) To review findings of any internal investigations and Management's response;

(e) To review the effectiveness and adequacy of the internal audit function;

(f) To review the independence of the external auditors and make recommendations to the Board on the appointment, re-appointment and removal of the external auditors;

(g) To review interested person transactions and potential conflicts of interest situations that may arise including any transactions, procedures or courses of action that raise questions about Management's integrity; and

(h) To review complaints that may raise concerns about possible improprieties or irregularities that require the AC to review and if required, investigate with the support of external professional service firms.

The AC had presented a report to the Board in respect of:

(i) the co-operation given by the Company's officers to the external and internal auditors and whether the auditors in the course of carrying out their duties, were obstructed or impeded by Management;

(ii) the adequacy of the Group's internal accounting control system and its internal control procedures as reported by the external and internal auditors to the AC;

(iii) compliance with legal and other regulatory requirements; and

(iv) any other matters which, in the AC's opinion, should be brought to the attention of the Board.

AC Commentary on Key audit matter set out in the Independent Auditor's Report

The AC noted the key audit matter raised by the independent auditor in its audit report to the members of Cortina Holdings Limited. Key audit matters are those matters that, in the external auditor's professional judgement, were of most significance in their audit of the financial statements of the current reporting year. Below sets out the AC's comments to the key audit matter.

Key audit matter involving significant judgement and estimates	Matter considered	Conclusion by AC
Net realisable value of inventories	In the Group's balance sheet, gross inventories net of obsolescence allowance amounted to S$181 million at 31 March 2018 (2017: S$204 million), and accounted for approximately 70% of total assets of the Group at reporting date. The Group's inventories comprised largely luxury timepieces that are of different brands and ages. The Financial Reporting standard requires inventories to be stated at the lower of cost and net realisable value ("NRV"). NRV can be lower than cost due to a variety of reasons such as (i) decline in demand, (ii) physical damage to the goods or (iii) obsolescence due to old age. All these factors may result in the inventory being sold at below cost. When NRV is lower than cost, the inventory would need to be reduced by an allowance for obsolete inventories.	The AC is satisfied that inventories are stated at the lower of cost and net realisable value based on the following: (i) Conducted discussions with the external auditor including the review of the audit procedures carried out by the external auditor; (ii) Evaluated any significant findings on inventories reported to the AC by the external auditor; (iii) Made enquiries of management on any significant issues relating to inventories including the adequacy of allowance for obsolete inventories; and (iv) Reviewed the ageing of the inventories and the allowance policy established by management which AC considered is prudent and has been applied in a manner consistent with prior years.

Key audit matter involving significant judgement and estimates	Matter considered	Conclusion by AC
Net realisable value of inventories	The lower of cost and NRV is consistent with the principle of asset impairment which requires assets not to be reported in the balance sheet in excess of the amounts to be recovered. As the monetary value of inventories in the Group's balance sheet is highly significant, assessing the amount of allowance to be made for the Group's inventories is a key audit matter given that such inventory allowance requires management to make significant judgement and estimates based on factors such as (i) historical allowance experience (ii) future demand (iii) selling prices and (iv) ageing of the inventories. Management has in prior years established a prudent provisioning policy based on the principle that the older the inventory, the higher the allowance given that the risk of a timepiece being sold lower than cost is higher. The AC noted that management has applied this allowance policy in a manner consistent with prior years. The auditor has reviewed the policy for allowances for obsolete inventories and carried out the audit procedures as stated in its auditor's report. No adverse findings were reported to the AC by the external auditor on this matter. At 31 March 2018, the allowances for obsolete inventories amounted to approximately S$12.5 million compared to prior year of S$11.4 million. This is disclosed in Note 20 to the financial statements.	

Guideline 12.5
Meeting with External and Internal Auditors without Presence of Management

The AC meets with both the external and internal auditors without the presence of the Management at least once a year. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly with the AC.

Guideline 12.6
Independence of External Auditors

The Company confirms compliance with Rules 712, 715 and 716 of the Listing Manual. RSM Chio Lim LLP is the external auditors of the Company and its Singapore subsidiaries and is registered with the Accounting and Corporate Regulatory Authority. The names of the auditors of the Company's subsidiaries and its associated companies are disclosed in note 16 of the financial statements.

The AC has reviewed the non-audit services rendered to the Group by the external auditors. During the year, the fees paid to the external auditors of the Company for non-audit services amounted to S$23,000 or 12.9% of the total fees. Having satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, the AC recommended their re-nomination to the Board.

Guideline 12.7
Whistle-blowing Policy

The Company has in place a whistle-blowing framework to deal with staff concerns about improprieties. The AC oversees the administration of the framework and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up actions.

The staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties on matters of financial reporting or other matters to the Executive Directors or the Human Resource Department, for onward forwarding to the AC Chairman. The Company also makes known to such complainants that they may, if they so wish, make direct reports to the AC. The written and circulated whistleblowing policy and procedures also set out the procedures for raising concern or making complaints, and the process of investigation. Such concerns raised are independently investigated and appropriate follow-up action taken.

The Company will treat all information received as confidential and protect the identity and interest of all whistleblowers. Following investigation and evaluation of a complaint the AC will decide whether the matter needs further follow up and appropriate action to be taken. If the AC decides not to proceed with the investigation, the decision must be explained as fully as possible to the person who raised the concern. The action determined by the AC will then be brought to the Board or to appropriate members of senior management, for improvements or remedial actions, as appropriate.

The whistle-blowing policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

Guideline 12.8
AC to keep Abreast of Changes to Accounting Standards

The AC is kept abreast by the Management, external and internal auditors on the changes to financial reporting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Guideline 12.9
Partners or Directors of the Company's Auditing Firm

No former partner or Director of the Company's existing auditing firm or auditing corporation is a member of the AC.

INTERNAL AUDIT

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

Guidelines 13.1 and 13.2
Internal Auditors

The Company has engaged One e-Risk Services Pte Ltd as its internal auditor.

The Internal Auditor reports directly to the AC. The AC ensures that the internal audit function has appropriate standing with the management and staff and has unfettered access to the AC and all the company's documents, records, properties and personnel. The AC has assurance from the Internal Auditor that it has the capacity and resources for the internal audit function to be adequately resourced.

Guidelines 13.3 & 13.4.
Internal Audit Function

The AC is satisfied that the Internal Audit Function is staffed with persons with the relevant qualifications and experience. The Internal Audit function follows essentially the Standards for Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

The primary functions of Internal Audit are:

(a) To assess if adequate systems of internal controls are in place to safeguard the funds and assets of the Group, and to ensure that control procedures are complied with;

(b) To assess if the business processes under review are conducted efficiently and effectively; and

(c) To identify and recommend improvement to internal control procedures, where required.

Guideline 13.5
Adequacy and Effectiveness of Internal Audit Function

The AC reviews the audit plans of the Internal Auditor, ensures that adequate resources are directed to carry out those plans, and reviews the results of the Internal Auditor's examination of the Company's system of internal controls.

COMMUNICATION WITH SHAREHOLDERS

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.

Guidelines 14.1
Sufficient Information to Shareholders

The Board strives to ensure that timely disclosure is made regarding all material business matters affecting the Group so as to maintain a high level of transparency. All announcements by the Company are made through SGXNET.

The Group also maintains a website at http://www.cortina.com.sg at which shareholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group.

Guideline 14.2
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

Every shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

At the annual general meeting, shareholders are given the opportunity to express their views and ask the Board and Management questions regarding the operations of the Company. All resolutions at general meetings are required to be voted by poll under the Listing Rules of the SGX-ST. Shareholders will be briefed by the Company on the poll voting procedures at general meetings. The Directors, including the chairpersons of each of the Board Committees are available at the meetings to address shareholders' queries. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Guideline 14.3
Proxies for Nominee Companies

The Company will have separate resolutions at general meetings on each distinct issue. The Company's Constitution allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries who include CPF agent banks nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

All resolutions at the forthcoming AGM would be put to vote by poll in accordance with the Listing Rule of SGX-ST so as to allow greater transparency and more equitable participation by 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.

Guideline 15.1 and 15.2
Timely information to shareholders

In line with continuous obligations of the Company pursuant to the Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and Extraordinary General Meetings ("EGM"); and

(e) Company's website at www.cortina.com.sg where shareholders can access information on the Group.

Guideline 15.3 and 15.4
Engagement with shareholders

The Company's AGMs and EGMs are the principal forums for dialogue with shareholders. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the meetings to answer any questions relating to the work of these Committees. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend AGMs/EGMs to ensure a high level of interaction and to stay informed of the Group's strategies and goals. Notice of the meeting will be advertised in newspapers and announced on SGXNET.

Guideline 15.5
Dividend

The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected capital expenditure and investments in proposing a dividend. The details of dividend payment, if any, would be disclosed via the release of the announcements through SGXNET.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

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.

Guideline 16.1
Effective Shareholders' Participation

The Group supports and encourages active shareholders participation at general meetings. The Board believes that general meetings serve as an opportune forum for Shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNET and published in local newspapers.

The Company's Constitution allows absentee shareholders to appoint up to two proxies to attend general meetings and vote on their behalf.

Guideline 16.2
Separate Resolutions at General Meetings

The Company will have separate resolutions at general meetings on each distinct issue.

Guideline 16.3
Attendance of Chairman of the Board and Board Committees at General Meetings

The Chairman of the Audit, Remuneration and Nomination Committees as well as the external auditors are present at the AGM to address shareholders' queries, if any.

Guideline 16.4
Minutes of General Meetings

The minutes of the general meetings are taken and are available to shareholders for their inspection upon request.

Guideline 16.5
Results of resolutions by poll

All resolutions at the forthcoming AGM would be put to vote by poll. This will allow greater transparency and more equitable participation by shareholders.

OTHER CORPORATE GOVERNANCE MATTERS

Dealing in Securities

In line with Rule 1207(19) of the Listing Manual, the Company has in place a policy prohibiting dealings of the Company's securities by the Company and its Directors and officers on short-term considerations or if they are in possession of price sensitive information and during the period two weeks before the release of the quarterly results or one month prior to the announcement of the Company's half year and full-year results ("restricted dealing periods"). Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period.

The Company issues circulars to its directors and employees to remind them of the dealing prohibition before the commencement of each restricted dealing period.

Interested Persons Transactions

There were no interested person transactions which require disclosure or shareholders' approval under SGX-ST rules regulating interested person transactions.

Material Contracts

There was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the CEO, any Director or controlling shareholder.

Financial Contents

Statement by Directors

The directors of the company are pleased to present the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company (collectively known as “financial statements”) for the reporting year ended 31 March 2018.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the group and company as at 31 March 2018 and the financial performance, cash flows and changes in equity of the group and the changes in equity of the company for the reporting year then ended; and

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

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

2. DIRECTORS

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

Lim Keen Ban	(Chairman and CEO)
Lim Jit Ming	(Deputy Chairman and Deputy CEO)
Yu Chuen Tek	(Senior Executive Director)
Lim Jit Yaw	(Executive Director)
Chin Sek Peng, Michael	(Lead Independent Director)
Lau Ping Sum, Pearce	(Independent Director)
Lee Ah Fong	(Independent Director)
Foo See Jin	(Independent Director)
Long Foo Pieng	(Independent Director)

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year were not interested in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

	Shareholdings registered in the name of the directors	
Name of directors and company in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**
The company Cortina Holdings Limited	Number of ordinary shares of no par value	
Yu Chuen Tek	8,835,015	8,835,015
Lau Ping Sum, Pearce	30,000	30,000
Foo See Jin	7,107,320	7,107,320
Long Foo Pieng	8,564,940	8,564,940

	Shareholdings in which directors are deemed to have interest	
Name of directors and company in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**
The company Cortina Holdings Limited	Number of ordinary shares of no par value	
Lim Keen Ban	69,638,425	69,638,425
Lim Jit Ming	52,657,490	52,657,490
Yu Chuen Tek	7,428,000	7,428,000
Lim Jit Yaw	69,638,425	69,638,425

At the beginning and end of the reporting year, Messrs Lim Keen Ban, Lim Jit Ming, and Lim Jit Yaw, who by virtue of their deemed interests of not less than 20% of the issued capital of the company, are deemed to have interests in the shares held by the company in all its subsidiaries.

The directors' interests as at 21 April 2018 were the same as those at the end of the reporting year.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

5. OPTIONS

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed its willingness to accept re-appointment as auditor of the company at the next annual general meeting of the company.

7. REPORT OF AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Mr Chin Sek Peng, Michael	(Chairman of audit committee and lead independent and non-executive director)
Mr Lau Ping Sum, Pearce	(Independent and non-executive director)
Mr Lee Ah Fong	(Independent and non-executive director)

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

- Reviewed with the independent external auditor and the internal auditor their respective audit plans;
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed with the internal auditor the findings and recommendations arising from their review of the Group's internal controls to address key financial, operational and compliance risk, and the assistance given by the management to the internal auditor;
- Reviewed the financial statements prior to its submission to the directors of the company for adoption;
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

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

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

8. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial results and information, as announced on 25 May 2018, which would materially affect the group's and company's operating and financial performance as of the date of this report.

On behalf of the directors

Lim Keen Ban	Yu Chuen Tek
Director	Director

26 June 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Cortina Holdings Limited, (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, 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 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

NET REALISABLE VALUE OF INVENTORIES

We refer to Note 2A and 2B of the financial statements for the relevant accounting policy and critical judgement and Note 20 for the breakdown of inventories for the reporting year end and the annual report to the section on the audit committee's review and responses to the reported key audit matter.

The group's principal activities are in the retail, import and export of luxury time pieces, branded pens and luxury accessories. The group holds inventories of $181,183,000 (2017: $203,889,000) as at the end of the reporting year. The cost of inventories may not be recoverable in full if those inventories are damaged, or if they become obsolete, or if their selling prices have declined.

The estimate of allowance for obsolete inventories is based on the age of these inventories, prevailing market conditions of the luxury time pieces and related products in the retail industry and historical allowance experience which require management's judgement. Management applies judgement in determining the appropriate allowance for obsolete inventories based upon a detailed technical assessment of inventories concerned including considering the future demand and future selling prices for the products and ageing analysis of inventories. This methodology relies upon assumptions made in determining appropriate allowance percentages to categories of inventories.

NET REALISABLE VALUE OF INVENTORIES (CONT'D)

Our procedures included:

- Reviewing the appropriateness of the policy for allowances for obsolete inventories adopted by management (taking into considerations the historical information and management's technical assessment) and the group's adherence to it;
- Evaluating the appropriateness of the specific allowances for certain brands by reviewing the key assumptions adopted by the group management and comparing utilisation rates to subsequent sales records;
- Evaluating the accuracy of the group inventory ageing by checking on a sample basis that inventory items were categorised appropriately in the relevant ageing bands based on the purchase date of the inventories;
- Comparing the net realisable value of a sample of inventories to subsequent selling prices;
- Reviewing the inventory turnover days and ageing of the inventories to assess if there was any significant build up of aged inventories; and
- Assessing the adequacy of disclosures made in 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:

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

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

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

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

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

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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 reporting year and are therefore considered as 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 Woo E-Sah.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

26 June 2018

Engagement partner - effective from year ended 31 March 2017.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 MARCH 2018

	Notes	Group 2018 $'000	Group 2017 $'000
Revenue	5	466,291	390,819
Interest income	6	81	49
Other gains	7	944	900
Changes in inventories of finished goods		(22,706)	(12,441)
Purchase of goods and consumables		(335,409)	(288,746)
Employee benefits expense	8	(26,707)	(21,481)
Rental expense	32	(28,861)	(29,599)
Depreciation expense	15	(5,961)	(5,260)
Other expenses	9	(16,683)	(15,398)
Other losses	7	(280)	(407)
Finance costs	10	(1,990)	(2,539)
Share of (loss) / profit from equity-accounted associates		(23)	26
Profit before tax from continuing operations		28,696	15,923
Income tax expense	11	(5,602)	(3,458)
Profit net of tax		23,094	12,465
Profit attributable to owners of the parent, net of tax		22,347	11,797
Profit attributable to non-controlling interests, net of tax		747	668
Profit net of tax		23,094	12,465
Earnings per share		Cents	Cents
Earnings per share currency unit			
Basic			
Continuing operations	14	13.5	7.1
Diluted			
Continuing operations	14	13.5	7.1

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 MARCH 2018

	Group	
	2018	**2017**
	$'000	**$'000**
Profit from continuing activities, net of tax	23,094	12,465
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations, net of tax	1,776	(1,769)
Total comprehensive income for the year, net of tax	24,870	10,696
Total comprehensive income attributable to owners of the parent	23,719	10,137
Total comprehensive income attributable to non-controlling interests	1,151	559
Total comprehensive income	24,870	10,696

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

Statements of Financial Position

AS AT 31 MARCH 2018

	Notes	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	17,716	17,080	199	205
Investments in subsidiaries	16	–	–	56,065	54,554
Investments in associates	17	2,521	2,544	1,000	1,000
Deferred tax assets	11	1,002	773	–	–
Trade and other receivables, non-current	18	–	–	–	3,469
Other assets, non-current	19	5,265	5,018	–	–
Total non-current assets		26,504	25,415	57,264	59,228
Current assets					
Inventories	20	181,183	203,889	–	–
Trade and other receivables, current	21	12,774	9,031	8,394	2,844
Other assets, current	22	2,860	2,449	13	13
Cash and cash equivalents	23	35,491	21,775	504	375
Total current assets		232,308	237,144	8,911	3,232
Total assets		258,812	262,559	66,175	62,460
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	24	35,481	35,481	35,481	35,481
Other reserve	25	(7,460)	(8,832)	–	–
Retained earnings		150,234	132,854	25,565	4,068
Equity, attributable to owners of the parent, total		178,255	159,503	61,046	39,549
Non-controlling interests		7,652	6,501	–	–
Total equity		185,907	166,004	61,046	39,549
Non-current liabilities					
Provisions, non-current	26	1,792	1,408	–	–
Other financial liabilities, non-current	27	4,116	9,087	–	–
Deferred tax liabilities	11	37	51	–	–
Total non-current liabilities		5,945	10,546	–	–
Current liabilities					
Income tax payable		4,100	2,709	290	197
Trade and other payables, current	28	17,634	17,103	4,839	22,714
Other financial liabilities, current	27	40,003	63,123	–	–
Other liabilities, current	29	5,223	3,074	–	–
Total current liabilities		66,960	86,009	5,129	22,911
Total liabilities		72,905	96,555	5,129	22,911
Total equity and liabilities		258,812	262,559	66,175	62,460

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

Statements of Changes in Equity

YEAR ENDED 31 MARCH 2018

	Total equity $'000	Attributable to parent sub-total $'000	Share capital $'000	Translation reserve $'000	Retained earnings $'000	Non-controlling interests $'000
Group:						
Current year:						
Opening balance at 1 April 2017	166,004	159,503	35,481	(8,832)	132,854	6,501
Changes in equity:						
Total comprehensive income for the year	24,870	23,719	–	1,372	22,347	1,151
Dividends paid (Note 13)	(4,967)	(4,967)	–	–	(4,967)	–
Closing balance at 31 March 2018	185,907	178,255	35,481	(7,460)	150,234	7,652
Previous year:						
Opening balance at 1 April 2016	161,473	153,677	35,481	(5,969)	124,165	7,796
Changes in equity:						
Total comprehensive income for the year	10,696	10,137	–	(1,660)	11,797	559
Acquisition of subsidiaries without loss of control (Note 16)	(2,853)	(999)	–	(1,203)	204	(1,854)
Dividends paid (Note 13)	(3,312)	(3,312)	–	–	(3,312)	–
Closing balance at 31 March 2017	166,004	159,503	35,481	(8,832)	132,854	6,501

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

Statements of Changes in Equity

YEAR ENDED 31 MARCH 2018

	Total equity $'000	Share capital $'000	Retained earnings $'000
Company:			
Current year:			
Opening balance at 1 April 2017	39,549	35,481	4,068
Changes in equity:			
Total comprehensive income for the year	26,464	–	26,464
Dividends paid (Note 13)	(4,967)	–	(4,967)
Closing balance at 31 March 2018	61,046	35,481	25,565
Previous year:			
Opening balance at 1 April 2016	41,664	35,481	6,183
Changes in equity:			
Total comprehensive income for the year	1,197	–	1,197
Dividends paid (Note 13)	(3,312)	–	(3,312)
Closing balance at 31 March 2017	39,549	35,481	4,068

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

Consolidated Statement of Cash Flows

YEAR ENDED 31 MARCH 2018

	2018 $'000	2017 $'000
Cash flows from operating activities		
Profit before tax	28,696	15,923
Adjustments for:		
Depreciation expense	5,961	5,260
Interest income	(81)	(49)
Interest expense	1,990	2,539
Share of loss/(profit) from equity-accounted associates	23	(26)
Gains on disposal of plant and equipment	(136)	(120)
Plant and equipment written off	162	386
Provisions, non-current	145	–
Operating cash flows before changes in working capital	36,760	23,913
Inventories	24,881	13,016
Trade and other receivables	(3,526)	(687)
Other assets	(658)	(140)
Trade and other payables	607	2,085
Other liabilities	1,912	(479)
Net cash flows generated from operations	59,976	37,708
Income taxes paid	(4,597)	(2,153)
Net cash flows generated from operating activities	55,379	35,555
Cash flows from investing activities		
Disposal of plant and equipment	160	231
Purchase of plant and equipment (Note 23B)	(5,826)	(6,615)
Interest received	81	49
Net cash flows used in investing activities	(5,585)	(6,335)
Cash flows from financing activities		
Acquisition of subsidiaries without loss of control (Note 16)	–	(2,853)
Increase in new borrowings	5,615	15,000
Decrease in other financial liabilities	(34,382)	(30,519)
Decrease in finance leases	(237)	(419)
Interest paid	(1,990)	(2,539)
Dividends paid	(4,967)	(3,312)
Net cash flows used in financing activities	(35,961)	(24,642)
Net increase in cash and cash equivalents	13,833	4,578
Cash and cash equivalents, statement of cash flows, beginning balance	21,761	17,236
Effect of foreign exchange rate adjustments	(103)	(53)
Cash and cash equivalents, statement of cash flows, ending balance (Note 23A)	35,491	21,761

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

1. GENERAL

The company is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The company is an investment holding company and provides management services to its subsidiaries and associates. The principal activities of the subsidiaries are described in Note 16 to the financial statements.

The registered office and the principal place of business of the company is located at 391B Orchard Road, #18-01 Ngee Ann City Tower B, Singapore 238874. The company is situated in Singapore.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRSs require an alternative treatment (such as fair values) is required by the particular FRSs as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is not material. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss, as required or permitted by FRSs.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

1. GENERAL (CONT'D)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary, with any resulting gain or loss recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The company's separate financial statements have been prepared on the same basis as in prior years, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income and separate statement of cash flows are not presented.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, returns and rebates.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably and when the collection is reasonably assured.

Revenue from rendering of services that are of short duration is recognised when the services are completed.

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Interest revenue is recognised using the effective interest method.

Dividend from equity instruments is recognised as income when the entity's right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain overseas subsidiaries have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

For a subsidiary incorporated in Thailand, provision for post-employment benefits is made in accordance with Thai Labour Law and the company's staff manual which is calculated using the last salaries as of reporting date in conjunction with discount rates, mortality rates, employee turnover rates and expected number of years of service.

Borrowing costs

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

Foreign currency transactions

The functional currency of the company is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation currency of the company is its functional currency.

Translation of financial statements of other entities

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

The direct method is used whereby the financial statements of the foreign operations are translated directly into the functional currency of the ultimate parent.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Freehold Property	–	2%
Leasehold Property	–	Over terms of lease which is approximately 2%
Plant and Equipment	–	16.67% to 50%
Assets in Progress	–	Not depreciated

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (cont'd)

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

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 26 on non-current provisions.

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the equity accounted financial statements (economic interest financial statements), the accounting for investments in an associate is on the equity method. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

Non-controlling interests

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

Inventories

Inventories are measured at the lower of cost (on the specific identification method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents

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

Hedging

The entity is exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Derivatives

All derivatives are initially recognised and subsequently carried at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. OTHER EXPLANATORY INFORMATION

Segment reporting

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

Provisions

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

2C. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

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

Net realisable value of inventories:

A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement that could materially affects the carrying amount of inventories including the ornament time pieces at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 20 on inventories.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)

Allowance for doubtful trade accounts:

An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible, impairment and uncollectibility are determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amount might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 21 on trade and other receivables.

Income tax amount:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the Note 11 on income tax.

Property, plant and equipment:

An assessment is made for the reporting year on whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable are measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year is disclosed in Note 15.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the property, plant and equipment at the end of the reporting year is disclosed in Note 15.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)

Gain on sale on investment property:

In prior reporting year, the company disposed its investment property classified as assets held for sales located at 1 Coleman Street, The Adelphi, #05-06, Singapore 179803 for an aggregate consideration of $5,403,000. The disposal resulted in a gain of $748,000, which is presented in other gains in the consolidated statement of profit or loss. The management has considered the gain to be capital in nature and therefore management is of the view that the gain on the aforesaid disposal is not taxable. Accordingly, no income tax liability has been recognised on the capital gains.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

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

3A. RELATED PARTY TRANSACTIONS

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed unless stated otherwise.

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

Significant related party transactions:

	Associates		Non-controlling shareholder of subsidiary	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Purchase of goods	24	134	10	122
Advertising rebates	–	–	–	(11)

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3B. KEY MANAGEMENT COMPENSATION

	Group	
	2018 $'000	2017 $'000
Salaries and other short-term employee benefits	8,859	6,469

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

	Group	
	2018 $'000	2017 $'000
Remuneration of directors of the company	6,221	4,089
Remuneration of directors of the subsidiaries	1,069	996
Fees payable to directors of the company	521	521

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

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors and key executives.

3C. COMMITMENTS AND CONTINGENCIES

Bank facilities of $228,902,000 (2017: $192,886,300) extended to subsidiaries are guaranteed by the company. A fee is not charged for these corporate guarantees and not recorded at the company level as the amount of the charge involved is not significant. It has no effect at the group level.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. INFORMATION ABOUT REPORTABLE SEGMENT PROFIT OR LOSS, ASSETS AND LIABILITIES

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the reporting entity.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) wholesale and (2) retail. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluate regularly by chief operating decision maker in deciding how to allocate resources in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

The retail segment is involved in retailing of time piece, branded pens and accessories (the "Retail").

The wholesale segment is involved in wholesale of time piece and luxury branded accessories (the "Wholesale").

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of plant and equipment, inventories, trade and other receivables and cash and cash equivalents. Segment liabilities comprise trade and other payables, other financial liabilities and other liabilities. Unallocated items comprise mainly investment in associates, deferred tax assets, deferred and current tax liabilities.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before income taxes and other unallocated items (called "ORBT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. PROFIT AND LOSS FROM CONTINUING OPERATIONS AND RECONCILIATIONS

	Retail $'000	Wholesale $'000	Unallocated $'000	Elimination $'000	Group $'000
Continuing Operations 2018					
Revenue by Segment					
Total revenue by segment	415,134	50,631	526	–	466,291
Inter-segment sales	324	22,827	2,807	(25,958)	–
Total revenue	415,458	73,458	3,333	(25,958)	466,291
Recurring EBITDA	28,372	3,226	26,517	(21,445)	36,670
Finance costs	(1,955)	(49)	(68)	82	(1,990)
Depreciation	(5,648)	(307)	(6)	–	(5,961)
ORBT	20,769	2,870	26,443	(21,363)	28,719
Share of loss of associates	–	–	(23)	–	(23)
Profit before tax from continuing activities					28,696
Income tax expense					(5,602)
Profit from continuing operations					23,094
Continuing Operations 2017					
Revenue by Segment					
Total revenue by segment	344,746	45,435	638	–	390,819
Inter-segment sales	319	21,078	1,936	(23,333)	–
Total revenue	345,065	66,513	2,574	(23,333)	390,819
Recurring EBITDA	18,939	3,096	2,339	(678)	23,696
Finance costs	(2,451)	(53)	(156)	121	(2,539)
Depreciation	(4,865)	(389)	(6)	–	(5,260)
ORBT	11,623	2,654	2,177	(557)	15,897
Share of profit of associates	–	–	26	–	26
Profit before tax from continuing activities					15,923
Income tax expense					(3,458)
Profit from continuing operations					12,465

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4C. ASSETS AND RECONCILIATIONS

	Retail $'000	Wholesale $'000	Unallocated $'000	Elimination $'000	Group $'000
2018					
Segment assets	234,099	26,043	510	(5,591)	255,061
Unallocated assets:					
Deferred tax assets	–	–	1,002	–	1,002
Investments in associates	–	–	2,521	–	2,521
Other unallocated amounts	–	–	228	–	228
Total group assets	234,099	26,043	4,261	(5,591)	258,812
2017					
Segment assets	247,609	15,653	381	(4,636)	259,007
Unallocated assets:					
Deferred tax assets	–	–	773	–	773
Investments in associates	–	–	2,544	–	2,544
Other unallocated amounts	–	–	235	–	235
Total group assets	247,609	15,653	3,933	(4,636)	262,559

4D. LIABILITIES AND RECONCILIATIONS

	Retail $'000	Wholesale $'000	Unallocated $'000	Elimination $'000	Group $'000
2018					
Segment liabilities	58,258	8,177	–	(2,667)	63,768
Unallocated liabilities:					
Deferred and current tax liabilities	–	–	4,137	–	4,137
Other unallocated amounts	145	–	4,855	–	5,000
Total group liabilities	58,403	8,177	8,992	(2,667)	72,905
2017					
Segment liabilities	79,838	13,172	70	(2,060)	91,020
Unallocated liabilities:					
Deferred and current tax liabilities	–	–	2,760	–	2,760
Other unallocated amounts	–	–	2,775	–	2,775
Total group liabilities	79,838	13,172	5,605	(2,060)	96,555

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4E. OTHER MATERIAL ITEMS AND RECONCILIATIONS

	Retail $'000	Wholesale $'000	Unallocated $'000	Elimination $'000	Group $'000
Expenditures for non-current assets:					
2018	6,566	–	–	–	6,566
2017	6,967	–	–	–	6,967

4F. GEOGRAPHICAL INFORMATION

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods and services:

	Revenue		Total assets	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Singapore	238,870	197,212	124,182	140,049
South East Asia [(a)]	167,159	134,840	84,866	74,408
North East Asia [(b)]	55,585	52,254	48,762	47,329
Others [(c)]	4,677	6,513	–	–
Unallocated	–	–	1,002	773
Total	466,291	390,819	258,812	262,559

(a) South East Asia includes Malaysia, Thailand and Indonesia

(b) North East Asia includes Hong Kong and Taiwan

(c) Other countries include mainly Russia

Revenues are attributed to countries on the basis of the customer's location irrespective of the origin of the goods and services. The total assets are analysed by the geographical area in which the assets are located.

4G. INFORMATION ABOUT MAJOR CUSTOMERS

There are no customers with revenue transactions exceeding 10% of the group revenue.

5. REVENUE

	Group	
	2018 $'000	2017 $'000
Sale of goods	463,443	387,933
Other income	2,848	2,886
	466,291	390,819

6. INTEREST INCOME

	Group	
	2018 $'000	2017 $'000
Interest income from financial institutions	81	49

7. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2018 $'000	2017 $'000
Foreign exchange adjustments gains	808	780
Gains on disposal of plant and equipment	136	120
Inventories written off	(118)	(21)
Plant and equipment written off	(162)	(386)
Net	664	493
Presented in the consolidated statement of profit or loss as:		
Other gains	944	900
Other losses	(280)	(407)
Net	664	493

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2018 $'000	2017 $'000
Short term employee benefits expense	25,009	20,047
Contributions to defined contribution plans	1,698	1,434
Total employee benefits expense	26,707	21,481

9. OTHER EXPENSES

The major components and other selected components include the following:

	Group	
	2018 $'000	2017 $'000
Advertising and promotion	4,864	5,400
Credit cards commission	5,695	4,675

10. FINANCE COSTS

	Group	
	2018 $'000	2017 $'000
Interest expense on finance leases	24	34
Interest expense on bank borrowings	1,966	2,505
	1,990	2,539

11. INCOME TAX

11A. COMPONENTS OF TAX EXPENSE RECOGNISED IN PROFIT OR LOSS INCLUDE:

	Group	
	2018 $'000	2017 $'000
Current tax expense:		
Current tax expense	6,104	3,483
Over adjustments in respect of prior years	(259)	(23)
Subtotal	5,845	3,460
Deferred tax expense (income):		
Deferred tax income	(255)	(17)
Under adjustments in respect of prior years	12	15
Subtotal	(243)	(2)
Total income tax expense	5,602	3,458

The amount of income tax payable of the group as at end of the reporting year was $4,100,000 (2017: $2,709,000). Such an amount is net of tax advances, which, according to the tax rules, were paid before the end of the reporting year.

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2017: 17%) to profit or loss before tax as a result of the following differences:

There are no income tax consequences of dividends paid to owners of the company.

11. INCOME TAX (CONT'D)

11A. COMPONENTS OF TAX EXPENSE RECOGNISED IN PROFIT OR LOSS INCLUDE: (CONT'D)

	Group	
	2018 $'000	2017 $'000
Profit before tax	28,696	15,923
Add: Share of loss/(profit) from equity-accounted associates	23	(26)
	28,719	15,897
Income tax expense at the above rate	4,882	2,702
Expenses not deductible for tax purposes	412	360
Withholding tax	112	52
Stepped income exemption	(212)	(131)
Over adjustments in respect of prior years	(247)	(8)
Effect of different tax rates in different countries	513	301
Other minor items less than 3% each	(12)	(3)
Unrecognised deferred tax assets	154	185
Total income tax expense	5,602	3,458

11B. DEFERRED TAX INCOME RECOGNISED IN PROFIT OR LOSS INCLUDES:

	Group	
	2018 $'000	2017 $'000
Excess of book over tax depreciation on plant and equipment	(104)	(69)
Excess of tax over book depreciation on plant and equipment	(30)	(6)
Provisions	(280)	51
Tax losses carryforwards	17	207
Unrecognised deferred tax assets	154	(185)
Total deferred tax income recognised in statement of profit or loss	(243)	(2)

11. INCOME TAX (CONT'D)

11C. DEFERRED TAX BALANCES IN THE STATEMENT OF FINANCIAL POSITION:

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Deferred tax assets / (liabilities) recognised in statement of financial position:				
Excess of net book value of plant and equipment over tax values	(341)	(445)	–	–
Excess of tax values over net book value of plant and equipment	87	57	–	–
Provisions	1,542	1,262	–	–
Tax loss carryforwards	634	651	–	–
Unrecognised deferred tax assets	(957)	(803)	–	–
Total	965	722	–	–
Presented in the statements of financial position as follows:				
Deferred tax assets	1,002	773	–	–
Deferred tax liabilities	(37)	(51)	–	–
Net position	965	722	–	–

Temporary differences arising in connection with interests in subsidiaries are insignificant.

For the deferred tax assets and liabilities it is impracticable to estimate the amount of tax to be settled or used within one year.

11. INCOME TAX (CONT'D)

11C. DEFERRED TAX BALANCES IN THE STATEMENT OF FINANCIAL POSITION: (CONT'D)

Certain subsidiaries of the group have unutilised tax losses of approximately $3,729,000 (2017: $3,833,000), available to offset against future profits. No deferred tax assets have been recognised on these tax losses as the future profit streams of these subsidiaries are not probable. The realisation of the future income tax benefits from tax carryforwards is available for unlimited future period and subject to applicable laws and agreement by relevant tax authorities, except that the following unutilised tax losses of subsidiaries in Hong Kong and Taiwan, can only be carried forward as follows:-

	Unused gross tax losses	
	2018	**2017**
	$'000	**$'000**
Year of expiry		
2019	187	56
2020	490	182
2021	–	477
2022	156	152
Indefinitely	2,769	2,895
Total unused gross tax losses	3,602	3,762

12. ITEMS IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:-

	Group	
	2018	**2017**
	$'000	**$'000**
Audit fees		
Independent auditor of the company	178	174
Other independent auditors	56	52
Other fees		
Independent auditor of the company	23	42
Other independent auditors	18	17

13. DIVIDENDS ON EQUITY SHARES

	Rate per share – cents		Group and Company	
	2018	2017	2018 $'000	2017 $'000
Final tax exempt (1-tier) dividend paid	2	2	3,312	3,312
Special tax exempt (1-tier) dividend paid	1	–	1,655	–
Total dividends paid in the year	3	2	4,967	3,312

In respect of the current reporting year, the directors propose that a final tax exempt (1-tier) dividend of 2 cents per share and a special tax exempt (1-tier) dividend of 2.5 cent per share with a total of $7,451,000 be paid to shareholders after the annual general meeting to be held on the 26 July 2018. There are no income tax consequences. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including the new qualifying shares issued up to the date the dividend becomes payable.

14. EARNINGS PER SHARE

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

	Group	
	2018	2017
Numerators: Earnings attributable to equity:		
Continuing operations: Attributable to equity holders ($'000)	22,347	11,797
Denominators: Weighted average number of equity shares		
Basic	165,578,415	165,578,415

The weighted average number of equity shares refers to shares in circulation during the reporting period.

Basic earnings per share ratio is based on the weighted average number of common shares outstanding during each period. There is no dilution of earnings per share as there are no dilutive potential ordinary shares outstanding as at the end of the reporting year.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold/ leasehold properties $'000	Leasehold improvements $'000	Plant and equipment $'000	Assets in progress $'000	Total $'000
Group					
Cost:					
At 1 April 2016	2,249	15,579	13,100	889	31,817
Additions	–	2,831	4,136	–	6,967
Disposals	–	(1,276)	(1,521)	–	(2,797)
Reclassification	–	889	–	(889)	–
Foreign exchange adjustments	(164)	239	(47)	–	28
At 31 March 2017	2,085	18,262	15,668	–	36,015
Additions	–	4,884	1,276	406	6,566
Disposals	–	(1,762)	(1,689)	–	(3,451)
Foreign exchange adjustments	133	485	84	–	702
At 31 March 2018	2,218	21,869	15,339	406	39,832
Accumulated depreciation:					
At 1 April 2016	543	8,252	7,131	–	15,926
Depreciation for the year	43	3,046	2,171	–	5,260
Disposals	–	(1,072)	(1,222)	–	(2,294)
Foreign exchange adjustments	(40)	118	(35)	–	43
At 31 March 2017	546	10,344	8,045	–	18,935
Depreciation for the year	43	3,709	2,209	–	5,961
Disposals	–	(1,665)	(1,600)	–	(3,265)
Foreign exchange adjustments	36	385	64	–	485
At 31 March 2018	625	12,773	8,718	–	22,116
Carrying value:					
At 1 April 2016	1,706	7,327	5,969	889	15,891
At 31 March 2017	1,539	7,918	7,623	–	17,080
At 31 March 2018	1,593	9,096	6,621	406	17,716

Certain items are under finance lease agreements (see Note 27E).

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold property $'000	Plant and equipment $'000	Total $'000
Company			
Cost:			
At 1 April 2016, 31 March 2017 and 31 March 2018	284	129	413
Accumulated depreciation:			
At 1 April 2016	73	129	202
Transfer from investment properties	6	–	6
At 31 March 2017	79	129	208
Depreciation for the year	6	–	6
At 31 March 2018	85	129	214
Carrying value:			
At 1 April 2016	211	–	211
At 31 March 2017	205	–	205
At 31 March 2018	199	–	199

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018 $'000	2017 $'000
Unquoted equity shares:		
Balance at beginning of the year	54,554	51,701
Acquisitions	–	2,853
Reversal of allowance for impairment	1,511	–
Balance at the end of the year	56,065	54,554
Total cost comprising:		
Unquoted equity shares at cost	60,628	60,628
Allowance for impairment	(4,563)	(6,074)
Balance at the end of the year	56,065	54,554

The increasing performance of subsidiary Cortina Watch Co. Ltd was considered sufficient to reverse the impairment loss.

Net book value of subsidiaries	182,668	183,003

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Company 2018 $'000	Company 2017 $'000
Analysis of amount denominated in non-functional currencies:		
Hong Kong Dollars	5,142	5,142
New Taiwan Dollars	10,049	10,049
Malaysian Ringgit	33,320	33,320
Thailand Baht	4,531	4,531
Movements in allowance for impairment:		
Balance at beginning of the year	6,074	6,074
Impairment loss reversed to profit or loss	(1,511)	–
Balance at end of the year	4,563	6,074

The subsidiaries held by the company and its subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost in books of company 2018 $'000	Cost in books of company 2017 $'000	Effective percentage of equity held by company 2018 %	Effective percentage of equity held by company 2017 %
Chronoswiss Asia Pte Ltd [(a)] Singapore Import and export of Chronoswiss watches	90	90	90	90
Cortina Watch HK Limited [(b)] Hong Kong Retail, import and export of watches (RSM Hong Kong)	2,529	2,529	100	100
Cortina Watch Pte Ltd [(a)] Singapore Retail, import and export of time piece, branded pens and luxury accessories	6,871	6,871	100	100
Cortina Watch (Indochina) Pte Ltd [(a)] Singapore Dormant	519	519	100	100
Cortina Watch International Pte Ltd [(a)] Singapore Dormant	(e)	(e)	100	100
Cortina Watch Sdn Bhd [(b)] Malaysia Retail, import and export of watches, pens and clocks (RSM Malaysia)	33,320	33,320	90	90

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost in books of company		Effective percentage of equity held by company	
	2018 $'000	2017 $'000	2018 %	2017 %
Pactime HK Limited (d) Hong Kong Dormant	2,613	2,613	100	100
Pacific Time Pte Ltd (a) Singapore Import and export of watches	106	106	100	100
Cortina Watch (Thailand) Co. Ltd (b) Thailand Retail, import and export of watches (RSM Audit Services (Thailand) Limited)	4,531	4,531	70	70
Cortina Watch Co., Ltd (c) Taiwan (Note A) Retail, import and export of watches (Nexia Sun Rise CPAs & Co.)	8,757	8,757	100	100
Pacific Time Co., Ltd (c) Taiwan (Note A) Distribution of watches (Nexia Sun Rise CPAs & Co.)	1,292	1,292	100	100
	60,628	60,628		
Held through Cortina Watch (Indochina) Pte Ltd				
Cortina Watch (Yangon) Ltd (d) Myanmar Dormant	–	–	100	100

(a) Audited by RSM Chio Lim LLP.

(b) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(c) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(d) Not audited, as it is not material and not required to be audited under the relevant laws and regulations of its country of incorporation.

(e) Cost of investment is less than $1,000.

As is required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited the Audit Committee and the Board of Directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

Note A:

In the reporting year ended 31 March 2017, the company acquired, from the remaining 25% and 40% of the paid up and issued share capital of Cortina Watch Co., Ltd and Pacific Time Co., Ltd, both in Taiwan, for a total consideration of $2,853,000. Subsequent to the acquisition, the company holds 100% in both the subsidiaries.

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

There are subsidiaries that have non-controlling interests that are considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below.

	Group	
	2018 $'000	2017 $'000
Name of the subsidiary: Cortina Watch Sdn Bhd, Malaysia		
1. The profit allocated to NCI of the subsidiary during the reporting year	502	267
2. Accumulated NCI of the subsidiary at the end of the reporting year	4,935	4,109
3. The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:		
Current assets	55,636	46,346
Non-current assets	5,202	4,368
Current liabilities	11,490	9,629
Revenues	92,927	73,588
Profit for the reporting year	5,022	2,672
Total comprehensive income	5,022	2,672
Operating cash flows, increase	11,796	4,855
Net cash flows, increase	6,749	1,833

	Group	
	2018 $'000	2017 $'000
Name of the subsidiary: Cortina Watch (Thailand) Co. Ltd, Thailand		
1. The profit allocated to NCI of the subsidiary during the reporting year	269	143
2. Accumulated NCI of the subsidiary at the end of the reporting year	2,477	2,129
3. The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:		
Current assets	25,375	26,142
Non-current assets	3,555	2,100
Current liabilities	20,528	21,146
Revenues	41,995	37,112
Profit for the reporting year	896	477
Total comprehensive income	896	477
Operating cash flows, increase	3,937	3,790
Net cash flows, decrease	(125)	(8)

17. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Movements in carrying value:				
At beginning of the year	2,544	2,518	1,000	1,000
Share of (loss)/profit for the year	(23)	26	–	–
At end of the year	2,521	2,544	1,000	1,000
Carrying value:				
Unquoted equity shares at cost	1,000	1,000	1,000	1,000
Share of post-acquisition profits, net of dividends received	1,521	1,544	–	–
	2,521	2,544	1,000	1,000

The associates held by the company are listed below:

Name of associates, country of incorporation, place of operations and principal activities (and independent auditors)	**Effective percentage of equity held by group**	
	2018 %	**2017 %**
Montre Royale Distributors (Singapore) Pte Ltd [(a)] Singapore Dealers in watches	50	50
<u>Held through Montre Royale Distributors (Singapore) Pte Ltd</u> Societe Anoynyme De La Montre Royale [(b)] Switzerland Commission agents and general trading (CRC Cabinet de Revision & Conseil S.A.)	50	50

(a) Audited by RSM Chio Lim LLP.

(b) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

These associates are considered not material to the reporting entity. The summarised financial information of these non-material associates and the aggregate amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associates are set out below. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

17. INVESTMENTS IN ASSOCIATES (CONT'D)

	Group	
	2018 $'000	2017 $'000
Aggregate for all non-material associates:		
Assets	5,090	5,109
Liabilities	33	21
Revenue	24	134
(Loss) / profit for the year	(47)	52

18. TRADE AND OTHER RECEIVABLES, NON-CURRENT

	Company	
	2018 $'000	2017 $'000
Loan receivable from subsidiary (Note 3)	–	3,469
Movements during the year - at amortised cost:		
Amortised cost at beginning of the year	3,469	5,403
Amount received during the year	(300)	(1,934)
Reclassified as current (Note 21)	(3,169)	–
Balance at end of the year	–	3,469

The loan receivables from subsidiary have no terms or interest and are not expected to be settled in the foreseeable future, as the repayment is dependent on the cash flows of the borrower. The fair value is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

19. OTHER ASSETS, NON-CURRENT

	Group	
	2018 $'000	2017 $'000
Deposits to secure services	5,265	5,018

20. INVENTORIES

	Group 2018 $'000	Group 2017 $'000
Finished goods		
- at cost	138,830	160,927
- at net realisable value	42,353	42,962
Total finished goods at lower of cost and net realisable value	181,183	203,889

Inventories are stated after allowance.

	Group 2018 $'000	Group 2017 $'000
Movements in allowance:		
Balance at beginning of the year	11,376	10,036
Charged to profit or loss included in cost of sales	2,422	1,340
Used/Amount written off	(1,254)	–
Balance at end of the year	12,544	11,376
The write-downs of inventories charged to profit or loss included in other losses (Note 7)	118	21
Changes in inventories of finished goods decrease	22,706	12,441

There were no inventories pledge as security for liabilities.

The inventory turnover was 186 days (2017: 255 days).

21. TRADE AND OTHER RECEIVABLES, CURRENT

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Trade receivables:				
Outside parties	7,360	9,036	–	–
Less allowance for impairment	–	(5)	–	–
Subtotal	7,360	9,031	–	–
Other receivables:				
Subsidiaries (Note 3)	–	–	5,237	2,856
Loan receivable from subsidiary (Note 18)	–	–	3,169	–
Other receivables	5,414	–	6	6
Less allowance for impairment on subsidiary	–	–	(18)	(18)
Subtotal	5,414	–	8,394	2,844
Total trade and other receivables	12,774	9,031	8,394	2,844

The allowance is based on individual accounts that are determined to be impaired at the reporting date. These are not secured.

22. OTHER ASSETS, CURRENT

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Deposits to secure services	1,204	1,505	–	–
Prepayments	1,656	944	13	13
	2,860	2,449	13	13

23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Not restricted in use	35,491	21,775	504	375

The interest earning balances are insignificant. The amount represents bank balances with maturity of less than 90 days.

23A. CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED STATEMENT OF CASH FLOWS:

	Group	
	2018 $'000	2017 $'000
Amount as shown above	35,491	21,775
Bank overdrafts (Note 27)	–	(14)
Cash and cash equivalents for consolidated statement of cash flows purpose at end of the reporting year	35,491	21,761

23B. NON-CASH TRANSACTIONS:

Included in additions to plant and equipment, there were:

(a) Amount of $277,000 (2017: $194,000) acquired by means of financial leases.

(b) Amount of $463,000 (2017: $158,000) being provision for dismantling and removing capitalised (Note 26).

23. CASH AND CASH EQUIVALENTS (CONT'D)

23C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	2017 $'000	Cash flows $'000	Non-cash Changes $'000		2018 $'000
Group					
Long-term borrowings	8,750	(5,000)	–		3,750
Short-term borrowings	62,894	(23,767)	650	(a)	39,777
Finance lease liabilities	552	(237)	277	(b)	592
Total liabilities from financing activities	72,196	(29,004)	927		44,119

(a) Foreign exchange movements

(b) Acquisition of plant and equipment

24. SHARE CAPITAL

	Group and Company	
	Number of shares issued	Share capital $'000
Ordinary shares of no par value:		
Balance at 1 April 2016, 31 March 2017 and 31 March 2018	165,578,415	35,481

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

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

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

24. SHARE CAPITAL (CONT'D)

Capital management:

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

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Net debt:				
All current and non-current borrowings including finance leases (Note 27)	44,119	72,210	–	–
Less cash and cash equivalents (Note 23)	(35,491)	(21,775)	(504)	(375)
Net debt	8,628	50,435	(504)	(375)
Total equity	185,907	166,004	61,046	39,549
Debt-to-adjusted total capital ratio	5%	30%	N.M.	N.M.

N.M. = not meaningful

The improvement as shown by the decrease in the debt-to-adjusted total capital ratio for the reporting year for the group and the company resulted primarily from the decrease of borrowings as at the end of the reporting year.

25. OTHER RESERVE

	Foreign currency translation reserve	
	2018	**2017**
	$'000	**$'000**
Group		
At beginning of the year	8,832	5,969
Acquisition of subsidiaries without loss of control	–	1,203
Exchange differences on translating foreign operations	(1,372)	1,660
At end of the year	7,460	8,832

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The reserve is not available for cash dividends unless realised.

The foreign currency translation reserve accumulates all foreign exchange differences arising from the translation of financial statements of entities that are denominated in currencies other than the presentation currency of the company.

26. PROVISIONS, NON-CURRENT

	Group	
	2018	**2017**
	$'000	**$'000**
Provision for dismantling and removing (Note 26A)	1,647	1,408
Provision for employee benefit costs (Note 26B)	145	–
Total at the end of the year	1,792	1,408

26. PROVISIONS, NON-CURRENT (CONT'D)

26A. PROVISION FOR DISMANTLING AND REMOVING

	Group 2018 $'000	Group 2017 $'000
Provision for dismantling and removing the item and restoring the site relating to property, plant and equipment:		
Movements in above provision:		
At beginning of the year	1,408	1,316
Additions	463	158
Used	(243)	(55)
Foreign exchange adjustments	19	(11)
At end of the year	1,647	1,408

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased property. The estimate is based on quotations from external contractors. The unexpired terms range from 3 years to 5 years. The unwinding of discount is not significant.

26B. PROVISION FOR EMPLOYEES' BENEFIT COSTS

The group maintains defined benefit scheme for employees in Thailand. The scheme is valued by management at the end of each year.

	Group 2018 $'000	Group 2017 $'000
At beginning of the year	–	–
Periodic benefit costs	145	–
At end of the year	145	–

The following table is a summary of the assumptions relating to the actuarial technique as at the statement of financial position date:

	Group 2018
Discount rate (%)	ThaiBMA 2017
Salary increase rate (%)	3.48%
Employee turnover (%)	3.32%
Mortality	100% of Thai mortality rate (TMO2017)

The group has recorded provision for employee benefits as an expense in the statement of profit or loss for the year ended 31 March 2018 in accordance with the terms outlined in the Labour Protection Act (No. 6), BE 2560 (effective on 1 September 2017) stating that an employee is entitled to claim for the severance pays at the retirement age stipulated at sixty years old. The employer is required to pay severance pays to the retired staff.

27. OTHER FINANCIAL LIABILITIES

	Group 2018 $'000	Group 2017 $'000
Non-Current:		
Financial instruments with floating interest rates:		
Bank loan D (Note 27D)	3,750	8,750
Financial instruments with fixed interest rates:		
Finance lease liabilities (Note 27E)	366	337
Non-current, total	4,116	9,087
Current:		
Financial instruments with floating interest rates:		
Bank overdrafts	–	14
Bank loan A (Note 27A)	16,724	10,617
Bank loan B (Note 27B)	9,722	10,643
Bank loan D (Note 27D)	5,000	5,000
Bills payable	8,331	34,495
Financial instruments with fixed interest rates:		
Bank loan C (Note 27C)	–	2,139
Finance lease liabilities (Note 27E)	226	215
Current, total	40,003	63,123
Total	44,119	72,210

The non-current portion is repayable as follows:

	Group 2018 $'000	Group 2017 $'000
Due within 2 to 5 years	4,116	9,087
Total non-current portion	4,116	9,087

The ranges of floating interest rate paid were as follows:

	Group 2018	Group 2017
Bank overdrafts	8.46%	7.65%
Bank loans	2.22% to 4.15%	2.23% to 3.95%
Bills payable	1.76% to 4.78%	1.60% to 4.87%

27. OTHER FINANCIAL LIABILITIES (CONT'D)

27A. BANK LOAN A

The bank loan pertains to working capital loans that are short term in nature, ranging between repayable on demand to 6 months. These loans are secured by corporate guarantee from the company.

The bank loans are at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

27B. BANK LOAN B

The bank loan pertains to working capital loans that are short term in nature, ranging between repayable on demand to 6 months. These loans are secured by corporate guarantee from the company and a director of the subsidiary.

The bank loans are at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

27C. BANK LOAN C

The bank loan is repayable in monthly instalments of $195,000 over 3 years commencing from March 2015. The loan has been fully repaid during the year.

The bank loan is at a fixed rate of 2.40% per annum. The fair value (Level 2) is a reasonable approximation of the carrying amount as it is for a short period. The loan is secured by corporate guarantee from the company.

27D. BANK LOAN D

The bank loan is repayable in equal quarterly instalments of $1,250,000 over 3 years commencing from October 2016. The loan is secured by corporate guarantee from the company.

The bank loan is at floating interest rates. The fair value (Level 2) is a reasonable approximation of the carrying amount as it is for a short period. The loan is secured by corporate guarantee from the company.

27. OTHER FINANCIAL LIABILITIES (CONT'D)

27E. FINANCE LEASES

	Minimum payments $'000	Finance charges $'000	Present value $'000
Group			
2018			
Minimum lease payments payable:			
Due within one year	249	(23)	226
Due within 2 to 5 years	390	(24)	366
Total	639	(47)	592
Carrying value of plant and equipment under finance leases			1,091
2017			
Minimum lease payments payable:			
Due within one year	237	(22)	215
Due within 2 to 5 years	362	(25)	337
Total	599	(47)	552
Carrying value of plant and equipment under finance leases			1,091

There are leased assets under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets. Other details are as follows:

	2018	2017
Average lease term, in years	5	5
Average effective borrowing rate per year	4.33% to 5.24%	2.60% to 6.29%

The total for finance leases and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) is a reasonable approximation of the carrying amount.

28. TRADE AND OTHER PAYABLES, CURRENT

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Trade payables:				
Outside parties and accrued liabilities	17,634	16,959	4,839	2,759
Related party (Note 3)	–	144	–	–
Trade payables – subtotal	17,634	17,103	4,839	2,759
Other payables:				
Subsidiaries (Note 3)	–	–	–	19,955
Other payables – subtotal	–	–	–	19,955
Total trade and other payables	17,634	17,103	4,839	22,714

29. OTHER LIABILITIES

	Group	
	2018 $'000	2017 $'000
Advanced deposits from customers	5,223	3,074

30. FORWARD CURRENCY CONTRACTS

This includes the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts:

	Principal $'000	Reference currency	Maturity	Fair value (loss)/gain $'000
2018:				
Forward currency contracts	977	THB	April 2018	(4)
2017:				
Forward currency contracts	1,686	THB	April 2017	1

The fair value of the forward currency contracts are based on the current value of the difference between the contractual exchange rate and the market rate at the end of the reporting year (Level 2).

The fair values of forward currency contracts for reporting year ended 31 March 2018 and 31 March 2017 are not recorded in the financial statements as they are not material.

31. CONTINGENT LIABILITIES

	Company 2018 $'000	Company 2017 $'000
Corporate guarantee given to bank in favour of subsidiaries	228,902	192,886
Unsecured bank guarantee issued in favour of third parties	4,151	4,365
Undertaking to support subsidiaries with deficits	144	147

32. OPERATING LEASE PAYMENT COMMITMENTS – AS LESSEE

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group 2018 $'000	Group 2017 $'000
Not later than one year	22,428	27,021
Later than one year and not later than five years	31,026	36,803
Rental expenses for the year	28,861	29,599

Operating lease payments represent rentals payable by the group for its retail outlets and office premises. Certain lease terms are subjected to an escalation clause based on a percentage of sales derived. However, such contingent rentals have not been included in above. The lease rental terms are negotiated for an average of 1 to 5 years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

33. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2018 **$'000**	**2017** **$'000**
Commitments for renovation of outlets	605	2,317

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

34A. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

	Group	
	2018 **$'000**	**2017** **$'000**
Financial assets:		
Cash and cash equivalents	35,491	21,775
Loans and receivables	12,774	9,031
At end of the year	48,265	30,806
Financial liabilities:		
Other financial liabilities measured at amortised cost	44,119	72,210
Trade and other payables measured at amortised cost	17,634	17,103
At end of the year	61,753	89,313

	Company	
	2018 **$'000**	**2017** **$'000**
Financial assets:		
Cash and cash equivalents	504	375
Loans and receivables	8,394	6,313
At end of the year	8,898	6,688
Financial liabilities:		
Trade and other payables measured at amortised cost at end of the year	4,839	22,714

Further quantitative disclosures are included throughout these financial statements.

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34B. FINANCIAL RISK MANAGEMENT

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

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

34C. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

34D. CREDIT RISK ON FINANCIAL ASSETS

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 23 disclose the maturity of the cash and cash equivalents balances.

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34D. CREDIT RISK ON FINANCIAL ASSETS (CONT'D)

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2017: 30 to 90 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group	
	2018 **$'000**	**2017** **$'000**
Trade receivables:		
Less than 60 days	7,217	4,237
61 - 90 days	38	1
91 - 180 days	29	35
Over 180 days	75	94
Total	7,359	4,367

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group	
	2018 **$'000**	**2017** **$'000**
Trade receivables:		
Over 180 days	–	5

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivables customers as at the end of reporting year:

	2018 **$'000**	**2017** **$'000**
Top 1 customer	3,007	1,501
Top 2 customers	4,007	2,608
Top 3 customers	4,157	3,203

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34E. LIQUIDITY RISK – FINANCIAL LIABILITIES MATURITY ANALYSIS

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

	Less than 1 year $'000	2 - 5 years $'000	Over 5 years $'000	Total $'000
Group:				
Non-derivative financial liabilities:				
2018:				
Gross borrowings commitments	40,407	3,816	–	44,223
Gross finance lease obligations	249	390	–	639
Trade and other payables	17,634	–	–	17,634
At end of the year	58,290	4,206	–	62,496
2017:				
Gross borrowings commitments	63,450	8,945	–	72,395
Gross finance lease obligations	237	362	–	599
Trade and other payables	17,103	–	–	17,103
At end of the year	80,790	9,307	–	90,097

	Less than 1 year $'000	2 - 5 years $'000	Over 5 years $'000	Total $'000
Company:				
Non-derivative financial liabilities:				
2018:				
Trade and other payables	4,839	–	–	4,839
At end of the year	4,839	–	–	4,839
2017:				
Trade and other payables	22,714	–	–	22,714
At end of the year	22,714	–	–	22,714

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Financial guarantee contracts - For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable (See Note 31).

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34E. LIQUIDITY RISK – FINANCIAL LIABILITIES MATURITY ANALYSIS (CONT'D)

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 90 days (2017: 30 to 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments the operating activity and undrawn borrowing facilities are expected to generate sufficient cash inflows.

	Group	
	2018 **$'000**	**2017** **$'000**
Bank Facilities:		
Undrawn borrowing facilities	155,612	121,229

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

34F. INTEREST RATE RISK

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2018 **$'000**	**2017** **$'000**	**2018** **$'000**	**2017** **$'000**
Financial liabilities:				
Fixed rate	592	2,691	–	–
Floating rate	43,527	69,519	–	–
At end of the year	44,119	72,210	–	–

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the relevant notes.

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34F. INTEREST RATE RISK (CONT'D)

Sensitivity Analysis:

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Financial liabilities:				
A hypothetical variation in interest rates by 50 basis points with all other variables held constant, would have an increase/decrease in pre-tax profit for the year by	218	348	–	–

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

In management's opinion, the above effective interest rates are unrepresentative of the inherent interest risks as the historical exposure does not reflect the exposure in the future.

34G. FOREIGN CURRENCY RISKS

Analysis of significant amounts denominated in non-functional currencies of respective entities in the group:

	Singapore Dollars $'000	Swiss Franc $'000	Malaysia Ringgit $'000	Others $'000	Total $'000
Group:					
2018:					
Financial assets:					
Cash	110	169	481	9	769
Loans and receivables	4	554	11	–	569
Total financial assets	114	723	492	9	1,338
Financial liabilities:					
Trade and other payables	932	497	–	104	1,533
Total financial liabilities	932	497	–	104	1,533
Net financial (liabilities) / assets at end of the year	(818)	226	492	(95)	(195)

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34G. FOREIGN CURRENCY RISKS (CONT'D)

	Singapore Dollars $'000	Swiss Franc $'000	Malaysia Ringgit $'000	Others $'000	Total $'000
Group:					
2017:					
Financial assets:					
Cash	110	166	237	10	523
Loans and receivables	4	5	64	–	73
Total financial assets	114	171	301	10	596
Financial liabilities:					
Trade and other payables	1,858	364	–	123	2,345
Total financial liabilities	1,858	364	–	123	2,345
Net financial (liabilities) / assets at end of the year	(1,744)	(193)	301	(113)	(1,749)

There is exposure to foreign currency risk as part of its normal business activities.

The company does not have any financial assets and financial liabilities amounts denominated in non-functional currency.

Sensitivity analysis: The effect on post-tax profit is not significant.

35. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 7	Amendments to FRS 7: Disclosure Initiative
FRS 12	Amendments to FRS 12: Recognition Of Deferred Tax Assets For Unrealised Losses

36. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

Companies listed on the Singapore Exchange ("SGX") currently reporting under SFRSs are required to comply with new Singapore Financial Reporting Standards (International) (SFRS(I)s) (issued by the Singapore Accounting Standards Council) that would be equivalent to the International Financial Reporting Standards ("IFRS") (issued by the International Accounting Standards Board (IASB)) for reporting years beginning on after 1 January 2018. The new framework is referred to as SFRS(I)s. SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) will be adopted in the financial statements when it becomes mandatory. Based on the current accounting treatment of the account balances management does not anticipate that the application of SFRS(I) 1 will have a material impact on the financial position and / or financial performance of the entity.

For the future reporting years new or revised Singapore Financial Reporting Standards (International) and the related Interpretations to SFRS(I)s ("SFRS(I) INT") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1	First-time Adoption of Singapore Financial Reporting Standards (International)	1 Jan 2018
SFRS(I) 9	Financial Instruments	1 Jan 2018
SFRS(I) 15	Revenue from Contracts with Customers Amendments to, Clarifications to SFRS(I) 15 Revenue from Contracts with Customers	1 Jan 2018
SFRS(I) 16	Leases and Leases - Illustrative Examples & Amendments to Guidance on Other Standards	1 Jan 2019

SFRS(I) 9 Financial Instruments will replace SFRS(I) 1-39 effective for annual periods beginning on or after 1 January 2018. It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition. SFRS(I) 9 requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics. For financial liabilities, SFRS(I) 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. For the impairment of financial assets, SFRS(I) 9 introduces an "expected credit loss" ("ECL") model based on the concept of providing for expected losses at inception of a contract; recognition of a credit loss should no longer wait for there to be objective evidence of impairment. For hedge accounting, SFRS(I) 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures. The recognition and derecognition provisions are carried over almost unchanged from SFRS(I) 1-39. On the basis of the facts and circumstances that exist as at 31 March 2018 (see accounting policy in Note 2 and disclosures in Note 34) the entity does not anticipate that the application of the new standard will have a material impact on the financial position and / or financial performance of the entity, apart from providing more extensive disclosures on the entity's financial instruments.

36. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE (CONT'D)

SFRS(I) 15 Revenue from Contracts with Customers effective for annual periods beginning on or after 1 January 2018 replaces other standards on revenue and the related interpretations. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g., the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.). SFRS(I) 15 will be adopted in the financial statements when it becomes mandatory and the full retrospective method of transition to the new standard will be used. On the basis of the current accounting treatment of the major sources of revenue (see accounting policy in Note 2 and disclosures in Note 5 on revenue) the management does not anticipate that the application of SFRS(I) 15 will have a material impact on the financial position and/or financial performance of the entity, apart from providing more extensive disclosures on the revenue transactions. However, as the entity is still in the progress of assessing the full impact of the application of SFRS(I) 15 on the financial statements, it is not practicable to provide a reasonable financial estimate of the effect until the detailed review is completed.

SFRS(I) 16 Leases is effective for annual periods beginning on or after 1 January 2019 and it replaces SFRS(I) 1-17 and the related interpretations. For the lessee, the biggest change introduced is that almost all leases will be brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the lessor, the accounting remains largely unchanged and the distinction between operating and finance leases is retained. SFRS(I) 16 will be adopted in the financial statements when it becomes mandatory, with the following effects: For the entity's non-cancellable operating lease commitments of $53,454,000 as at 31 March 2018 (Note 32), a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under SFRS(I) 16. Thus, the entity will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases upon the application of SFRS(I) 16) which would have a material impact on the amounts recognised in the financial statements. However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by management is completed. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of SFRS(I) 16 is not expected to have a material impact on the amounts recognised in the financial statements.

37. RECLASSIFICATIONS AND COMPARATIVE FIGURES

Reclassifications have been made to the prior year's statement of cash flows to enhance comparability with current year's statement of cash flows. There are no changes to other components of the financial statements. The changes were for some splits or regrouping in the balances in the statement of cash flows but these did not affect the statement of comprehensive income and the statement of financial position. Accordingly, a statement of financial position as at the beginning of the earliest comparative period is not presented.

Shareholding Statistics

AS AT 25 JUNE 2018

Number of issued Shares	:	165,578,415
Number of treasury shares	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	1	0.22	50	0.00
100 – 1,000	68	14.88	58,500	0.04
1,001 - 10,000	282	61.71	1,255,500	0.75
10,001 - 1,000,000	93	20.35	6,209,850	3.75
1,000,001 and above	13	2.84	158,054,515	95.46
Total	**457**	**100.00**	**165,578,415**	**100.00**

No.	Name	No. of Shares	%
1	LIM KEEN BAN HOLDINGS PTE LTD	52,657,490	31.80
2	HENRY TAY YUN CHWAN	21,016,000	12.69
3	MING YAW PTE LTD	16,980,935	10.26
4	RAFFLES NOMINEES (PTE) LTD	12,046,400	7.27
5	YU CHUEN TEK	8,835,015	5.34
6	LONG FOO PIENG	8,564,940	5.17
7	RENNICK PTE LTD	7,310,000	4.42
8	FOO SEE JIN MICHAEL	7,107,320	4.29
9	YU LEE CHIUN	6,880,010	4.16
10	YU YUNG TEK	6,880,010	4.16
11	PHILLIP SECURITIES PTE LTD	3,924,000	2.37
12	DBS NOMINEES PTE LTD	3,376,700	2.03
13	LONG AH HIAN	2,475,695	1.50
14	HOW SOW CHUEN	791,000	0.48
15	HUI YI WAN	600,000	0.36
16	JEREMY TAN JUN DA	474,000	0.29
17	SEOW KHOW HO CATHERINE @SEOW KHOW HOE	456,900	0.27
18	CHEAH YOK KIAN	350,000	0.21
19	TAN SOO YONG	250,000	0.15
20	LOH YONG HUAT	200,000	0.12
	Total	**161,176,415**	**97.34**

Shareholding Statistics

AS AT 25 JUNE 2018

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 25 June 2018, approximately 25.94% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

	Direct Interests		Deemed interests	
Size of Shareholdings	**No. of Shareholders**	**%**	**No. of Shares**	**%**
Lim Keen Ban Holdings Pte Ltd	52,657,490	31.80	-	-
Lim Keen Ban (1)	-	-	69,638,425	42.06
Chia Nyok Song@Cheah Yoke Heng (1)	-	-	69,638,425	42.06
Lim Jit Ming (2)	-	-	52,657,490	31.80
Lim Jit Yaw (1)	-	-	69,638,425	42.06
Lim Yin Chian (1)	-	-	69,638,425	42.06
Henry Tay Yun Chwan	21,016,000	12.69	-	-
Ming Yaw Pte Ltd	16,980,935	10.26	-	-
Yu Chuen Tek (3)	8,835,015	5.34	7,428,000	4.49
Maria Norma D Yu (3)	118,000	0.07	16,145,015	9.75
Long Foo Pieng	8,564,940	5.17	-	-

Notes:

(1) Mr Lim Keen Ban, Mdm Chia Nyok Song@Cheah Yoke Heng, Mr Lim Jit Yaw and Ms Lim Yin Chian are deemed interested in the 52,657,490 shares held by Lim Keen Ban Holdings Pte Ltd. and the 16,980,935 shares held by Ming Yaw Pte Ltd.

(2) Mr Lim Jit Ming is deemed interested in the 52,657,490 shares held by Lim Keen Ban Holdings Pte Ltd.

(3) Mr Yu Chuen Tek is the spouse of Mdm Maria Norma D Yu. Both jointly owned Rennick Pte Ltd. Mr Yu Chuen Tek is deemed to be interested in the 118,000 shares held by Mdm Maria and 7,310,000 shares held by Rennick Pte Ltd. Mdm Maria is deemed to be interested in the 8,835,015 shares held by Mr Yu and 7,310,000 shares held by Rennick Pte Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Cortina Holdings Limited will be held at York Hotel, 21 Mount Elizabeth, Singapore 228516 on Thursday, 26 July 2018 at 9.00 a.m. to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors' Statement for the financial year ended 31 March 2018 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 2 cents per share and a special one-tier tax exempt dividend of 2.5 cent per share for the financial year ended 31 March 2018 (2017: a final one-tier tax exempt dividend of 2 cents per share and a special one-tier tax exempt dividend of 1 cent per share). **(Resolution 2)**

3. To approve the Directors' Fee of S$589,875 for the financial year ending 31 March 2019 (2018: S$520,625). **(Resolution 3)**

4. To re-elect the following directors who will retire by rotation pursuant to Article 91 of the Company's Constitution and whom being eligible, are offering themselves for re-election:

   (i) Mr Lim Jit Ming **(Resolution 4)**
   (ii) Mr Yu Chuen Tek **(Resolution 5)**
   (iii) Mr Lee Ah Fong **(Resolution 6)**

   Mr Lee Ah Fong will, upon re-appointment as a Director of the Company, remain as a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will continue as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

5. To re-appoint RSM Chio Lim LLP as Auditors of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. **Authority to allot and issue shares**

   "That, pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to:

   (a) (i) issue shares of the Company ("shares') whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares 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,

   at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

(b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(A) new shares arising from the conversion or exercise of convertible securities, and

(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 Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(C) any subsequent bonus issue, consolidation or subdivision of the Company's shares,

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 8)
(See Explanatory Note 1)

ANY OTHER BUSINESS

7. To transact any other business that may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

11 July 2018

Explanatory Note on Special Business to be transacted:

1. **Resolution 8**, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the Resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company for this purpose shall be the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this Resolution is passed and any subsequent bonus issues, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in the form of proxy.

2. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

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

4. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

5. The instrument appointing a proxy must be deposited at 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 not later than 48 hours before the time appointed for the Meeting.

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) for the purpose of the processing and administration by the Company (or its agents) 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) 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) 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.

Notice of Annual General Meeting

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Cortina Holdings Limited (the "**Company**") will be closed on 10 August 2018 after 5:00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721 up to 5.00 p.m. on 10 August 2018 will be registered to determine shareholders' entitlements to the proposed final dividend and special dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 10 August 2018 will be entitled to the proposed final dividend and special dividend.

The proposed dividends, if approved by shareholders at the Annual General Meeting to be held on 26 July 2018 will be paid on 20 August 2018.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

11 July 2018

Corporate Listings

CORPORATE OFFICE

Cortina Holdings Limited
391B Orchard Road
#18-01, Ngee Ann City Tower B
Singapore 238874
Tel: (+65) 6339 9447
Fax: (+65) 6336 4939
www.cortina.com.sg

SINGAPORE

OFFICE

Cortina Watch Pte Ltd
391B Orchard Road
#18-01, Ngee Ann City Tower B
Singapore 238874
Tel: (+65) 6339 9447
Fax: (+65) 6336 4939 / 6336 7913
www.cortinawatch.com

DISTRIBUTION DIVISION

Chronoswiss Asia Pte Ltd
391B Orchard Road
#18-06, Ngee Ann City Tower B
Singapore 238874
Tel: (+65) 6271 9600
Fax: (+65) 6271 4711

Pacific Time Pte Ltd
391B Orchard Road
#18-06, Ngee Ann City Tower B
Singapore 238874
Tel: (+65) 6271 9600
Fax: (+65) 6271 4711

MULTI-BRANDS

Capitol Piazza
15 Stamford Road
#01-77/78/79/80, Capitol Piazza
Singapore 178906
Tel: (+65) 65 6384 3250
Fax: (+65) 65 6384 4143

Mandarin Gallery
333A Orchard Road
#01-07, Mandarin Gallery
Singapore 238897
Tel: (+65) 6732 0892
Fax: (+65) 6732 0796

MULTI-BRANDS

Paragon
290 Orchard Road
#01-13, Paragon
Singapore 238859
Tel: (+65) 6235 0084
Fax: (+65) 6738 1641

Raffles City
252 North Bridge Road
#01-36, Raffles City Shopping Centre
Singapore 179103
Tel: (+65) 6339 9185
Fax: (+65) 6339 1566

SPECIALIST

Patek Philippe Boutique
2 Orchard Turn
#02-01/02/03, ION Orchard
Singapore 238801
Tel: (+65) 6509 9238
Fax (+65) 6509 9239

Patek Philippe Boutique
2 Bayfront Avenue
#B2-239
The Shoppes At Marina Bay Sands
Singapore 018972
Tel: (+65) 6688 7008
Fax: (+65) 6688 7800

Rolex Boutique
6 Raffles Boulevard
#02-38, Marina Square
Singapore 039594
Tel: (+65) 6250 7712
Fax: (+65) 6250 7069

Corporate Listings

MALAYSIA

OFFICE

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Malaysia
Tel: (+603) 2148 8354 / 2148 2814
Fax: (+603) 2145 1866

MULTI-BRANDS

Fahrenheit 88
G03, Ground Floor
Fahrenheit 88
No. 179 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Tel: (+603) 2142 1161 / 2142 1171
Fax: (+603) 2142 1172

Imago Shopping Mall
Lot G-09 & G-10A
Imago Shopping Mall
KK Times Square Phase 2
Off Coastal Highway
88100 Kota Kinabalu Sabah Malaysia
Tel: (+608) 8277 818 / 8277 218
Fax: (+608) 8277 318

Starhill Gallery
UG34 Adorn Floor
Starhill Gallery
No. 181 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Tel: (+603) 2144 1188 / 2144 2188
Fax: (+603) 2144 3188

Suria KLCC
Lot 110, First Floor, Suria KLCC
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel: (+603) 2164 5175 / 2166 6355
Fax: (+603) 2166 5575

SPECIALIST

Breitling Boutique
LOT 105A, First Floor
Suria KLCC, Kuala Lumpur City Center
50088 Kuala Lumpur
Malaysia
Tel: (+603) 2166 6811/ 2166 3811
Fax: (+603) 2166 7811

Gucci Timepieces and Jewellery
Lot P2.11.00, Level 2
Pavilion Kuala Lumpur
168 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Tel: (+603) 2148 0248
Fax: (+603) 2148 0208

Patek Philippe Boutique
G43 & G43B-C
Ground Floor, Suria KLCC
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel: (+603) 2161 3611
Fax: (+603) 2161 3911

Rolex Boutique
170-G-33/33A, Ground Floor
Plaza Gurney, Persiaran Gurney
10250 Penang
Malaysia
Tel: (+604) 227 1026 / 227 1239
Fax: (+604) 227 0871

Rolex Boutique
UG34A Adorn Floor
Starhill Gallery
No. 181 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Tel: (+603) 2144 1811 / 2144-3811
Fax: (+603) 2144 1899

Tag Heuer Boutique
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Suria KLCC
Kuala Lumpur City Centre
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Malaysia
Tel: (+603) 2164 2118
Fax: (+603) 2164 4118

THAILAND

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Thailand
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MULTI-BRANDS

Central Embassy
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Fax: (+66) 2160 5725

Central Plaza Ladprao
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Central Plaza Ladprao
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Chatuchak, Bangkok 10900
Thailand
Tel: (+66) 2937 0890
Fax: (+66) 2937 0895

Erawan Bangkok
Room 01-15A, 1st Floor
Erawan Bangkok
494 Ploenchit Road, Lumpini
Pathumwan, Bangkok 10330
Thailand
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Fax: (+66) 2250 7882

Espace: Erawan Bangkok
Room 109/110/112/116, 1st Floor
Erawan Bangkok
494 Ploenchit Road, Lumpini
Pathumwan, Bangkok 10330
Thailand
Tel: (+66) 2250 7999
Fax: (+66) 2250 7799

SPECIALIST

Rolex Boutique
1st Floor, Central Department Store
Chidlom Branch
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Pathumwan, Bangkok 10330
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Tel: (+66) 2655 7831
Fax: (+66) 2655 7831

Corporate Listings

TAIWAN

OFFICE

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Fax: (+886) 2 8780 2090

SPECIALIST

Patek Philippe Boutique
2F, No. 45, Shifu Road, Taipei
Xinyi District, Taipei 110
Taiwan (R.O.C)
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Fax: (+886) 2 8101 8222

MULTI-BRANDS

Regent Galleria
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Taipei 104
Taiwan (R.O.C)
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Fax: (+886) 2 2563 1055

HONG KONG

OFFICE

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Hong Kong
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Fax: (+852) 2537 9612

SPECIALIST

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53, Queen's Road Central
Ground Floor
Hong Kong
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Fax: (+852) 2522 8898

INDONESIA

SPECIALIST

Patek Philippe Boutique
Plaza Indonesia
Level 1, No. 35 - 38
Jalan M.H. Thamrin Kav 28-30
Jakarta 10350
Indonesia
Tel: (+6221) 2992 4555
Fax: (+6221) 2992 4333

CORTINA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 197201771W

Proxy Form
ANNUAL GENERAL MEETING

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the Meeting and vote.
2. For investors who have used their CPF moneys to buy shares in CORTINA HOLDINGS LIMITED, this Annual Report is forwarded to them at the request of the CPF Approved Nominees.
3. 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, ______________________________

of ______________________________

being a member/members of Cortina Holdings Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy (%)
and/or (delete as appropriate)			

as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at York Hotel, 21 Mount Elizabeth, Singapore 228516 on Thursday, 26 July 2018 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

No.	Resolutions relating to:	No. of Votes or to indicate with a cross	
		For	Against
1.	To receive and adopt the Audited Financial Statements and Directors' Statement for the financial year ended 31 March 2018 together with the Auditors' Report thereon.		
2.	To declare a final one-tier tax exempt dividend of 2 cents per share and a special one-tier tax exempt dividend of 2.5 cent per share for the financial year ended 31 March 2018.		
3.	To approve the Directors' Fee of S$589,875 for the financial year ending 31 March 2019 (2018: S$520,625).		
4.	To re-elect Mr Lim Jit Ming as a Director.		
5.	To re-elect Mr Yu Chuen Tek as a Director.		
6.	To re-elect Mr Lee Ah Fong as a Director.		
7.	To re-appoint RSM Chio Lim LLP as Auditors and to authorise the Directors to fix their remuneration.		
8.	To authorize the Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

1 All resolutions would be put to vote by poll in accordance with listing rule of Singapore Exchange Securities Limited.
Please cross "X" or indicate the number of votes within the box provided. A cross would represent you are exercising all your votes "For" or "Against" the relevant resolution.

Dated this __________ day of __________ 2018.

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. A member of the Company (other than a relevant intermediary as defined in Section 181 of the Companies Act, Cap.50) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.
2. A relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.
3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting.

   Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
5. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
6. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Company's Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721, not later than 48 hours before the time set for the Annual General Meeting.
8. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited) he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, 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 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
10. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
11. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

Fold here

AFFIX STAMP

The Company Secretary
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c/o 333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721

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