

# 2020

Annual Report 2020



Cortina Holdings Limited

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## CORPORATE PROFILE

### THE TIMES MAY CHANGE BUT TRUE STYLE AND QUALITY LAST FOREVER

For near 50 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

# DELIGHTING OUR CUSTOMERS

OUR POSITION IN THE INDUSTRY  
IS A RESULT OF THE COLLECTIVE  
PASSION, FORESIGHT AND DILIGENCE  
OF OUR PEOPLE



Against the backdrop of an uncertain economic environment, Cortina Holdings Limited (“the Group”) achieved sustained growth for the financial year ended 31 March 2020 (“FY2020”), turning in an outstanding performance driven by proactive stock management, good sales mix and higher sales margins.

During the year in review, global growth was muted in the face of trade and geopolitical uncertainties as well as the COVID-19 outbreak. Meanwhile, Singapore’s economic growth softened to 0.7% amidst trade tensions. Notwithstanding this, we persisted in delivering strong results in FY2020. The Group’s financial performance was largely unaffected by the coronavirus situation which only impacted certain markets in March 2020. In light of this, we continued to achieve growth, while maintaining our dedication to operational excellence and delivering long-term shareholder value.

## DELIVERING GROWTH

Building on our solid business fundamentals, the Group grew from strength to strength. Total revenue rose to a record S\$513.8 million during the year in review, representing an uptick of 11.5% over the previous financial year. In line with this expansion, net profit surged 35.5% to reach a new high of S\$41.7 million, compared to S\$30.8 million the year before. Our sales margin climbed to 27.2%, compared to 25.3% in FY2019, stemming from the price resilience of our products and sustained demand for our luxury timepieces.

In tandem with the higher revenue and profit, the Group generated net operating cash inflow of S\$31.7 million in FY2020. Meanwhile, net asset value per share rose to 140.0 cents, up from 120.4 cents in FY2019, and earnings per share registered an increase to 23.7 cents against 17.5 cents in the previous financial year.

## DRIVING SHAREHOLDER VALUE

In light of the unprecedented COVID-19 pandemic, which led to a delay in our annual general meeting (AGM), the Board of Directors had declared and paid the first ever interim dividend of 4.0 cents in July 2020. This was aimed at ensuring the timely delivery of dividends to shareholders. In addition, a final tax-exempt cash dividend and a special tax-exempt cash dividend of 2.0 cents and 0.5 cents per ordinary share respectively have been proposed for

the approval of shareholders at the next AGM to be held on 3 September 2020. This year's total dividends – comprising an interim dividend, a final dividend and a special dividend – represent an 18.2% increase against the last financial year.

## ENHANCING CUSTOMER EXPERIENCE

At Cortina Holdings, we uphold a prudent approach to strengthen our performance and spur value creation. We regularly assess the performance of our retail outlets and improve same-store sales while driving greater efficiency across our operations. During the year, we consolidated our outlets' performance to conserve resources and manage operating costs. At the same time, we engaged in refurbishment works and completed the upgrade of our boutique at IMAGO Shopping Mall in Kota Kinabalu, Sabah in FY2020. Since then, this Malaysian outlet has continued to deliver strong results in line with expectations.

Over in Taiwan, we expanded our retail footprint to capture new opportunities in this market. During end-FY2020, we commenced renovation works on a new boutique at E Sky Land mall in Kaohsiung. Well-located amidst an affluent community, this new outlet is expected to showcase an extensive selection of exquisite timepieces and is projected to be officially unveiled in FY2021.

Expanding our presence in the digital world, we continued to strengthen our e-commerce platform, with the addition of several major brands during the year in review. Beyond complementing our brick and mortar stores, this platform brings our luxury timepieces to a wider customer base and heightens the Group's competitiveness in the digital age. Alongside this, the financial year witnessed the introduction of video user manuals to enhance our customers' experience with our watches. Besides enhancing the visibility of our brand name, this accessible e-manual allows us to engage with our customers digitally, while nurturing greater interest in our timepieces.

## CHAMPIONING SOCIAL SUSTAINABILITY

As a responsible corporate citizen, we recognise the importance of championing social sustainability. In line with our commitment to uplifting the lives of the communities we operate in, we made contributions to sports sponsorship and charitable organisations across Singapore. These included our donations to a charity dinner by Perennial Real Estate Holdings Limited and The Capitol Kempinski Hotel Singapore, which raised funds for the Community Chest and The Straits Times School Pocket Money Fund respectively. On the sporting front, we supported the Volleyball Association of Singapore and continued our annual sponsorship of the triathlon team, New Moon Khcycle. Our sustainability efforts in FY2020 are outlined in our Sustainability Report, which underscores our dedication to transparency and accountability as we strive to integrate sustainable practices throughout our operations.

## OUTLOOK

On the macro-economic front, global growth is projected to decelerate in 2020. The International Monetary Fund and the World Bank forecast a contraction in the world economy owing to the COVID-19 pandemic, which is anticipated to hamper economic activity, dampen consumer demand and impact tourism and supply chains.

We remain steadfast amidst the volatile economic environment, anchored in the vast experience of our management team and our deep expertise in the luxury watch business. Since inception, Cortina Holdings has demonstrated resilience, having successfully weathered numerous business cycles, ranging from the severe acute respiratory syndrome (SARS) outbreak to the 2008 financial crisis, each time emerging stronger than before.

Today, with our strong cash flow, robust balance sheet and debt-light position, the Group is well-placed to weather the challenges ahead. Prudent capital management remains a core element of our strategy, enabling us to deliver consistent returns, while providing us with the financial flexibility to capitalise on market opportunities and expand our regional footprint.

## APPRECIATION

I would like to express my gratitude to our stakeholders for their contributions to the Group's stellar performance in FY2020. My heartfelt thanks go to the Board of Directors for their wise counsel in propelling the Group forward. I am also appreciative of our partners, shareholders, management and staff for their unwavering support and trust in us throughout the past year.

Leveraging our solid fundamentals and forward-looking approach, we will continue striving to augment our competitiveness, while upholding our commitment of generating sustainable value for our shareholders.

LIM KEEN BAN, ANTHONY  
Chairman & CEO

## EVENTS HIGHLIGHTS

2019 was an exciting year for Cortina Watch. The group has delivered close to 50 events across their regions, covering new product launches, meet-and-greet sessions with brand ambassadors to exclusive exhibition such as the Patek Philippe Watch Art Grand Exhibition. Events provide valuable opportunities to interact with valued guests and here are some highlights of the experiences that Cortina Watch has brought forth.

### Patek Philippe

#### Watch Art Grand Exhibition, SINGAPORE

Cortina Watch and Patek Philippe friendship can be traced back to six decades earlier, since 1956. As family-owned companies, they share many common values built on the basis of their deep passion for haute horlogerie. The Patek Philippe Watch Art Grand Exhibition is testament to this commitment. It was the largest exhibition ever held by any watchmaker and it's most successful to date, attracting 68,000 visitors across the world over the span of 16 days (September 28 – October 13, 2019).

Together with Patek Philippe, Cortina Watch endeavour to share the journey of watchmaking to their exclusive VIP watch enthusiasts across Singapore, Malaysia, Indonesia and Thailand. The guests were invited to a lavish Gala Night officially launching the Watch Art Grand Exhibition including private viewing sessions – being one of the first few to view the new Singapore Editions specially crafted for this event before the general admission. The Group also paid meticulous attention to details – it is learnt that all hospitality was specifically tailored to each VIP guests' favour, indulging them to bask in the Cortina Watch's experience.



*Patek Philippe Dome Clock (Ref. 1677M) -  
"The Esplanade - Singapore"*

*On loan to display at the Watch Art  
Grand Exhibition. Currently showcase  
at the Patek Philippe boutique at The Shoppes  
at Marina Bay Sands.*







## Rolex “Yacht-Master”

The Art in Gastronomy, SINGAPORE

Celebrating the finest spirit of Rolex, Cortina Watch selected the Yacht-Master series as the highlight of this notion. A distinguished marine character combined with robust qualities in its performance. This dynamic nautical series symbolizes the elegance of yachting that the sport’s harsh conditions cannot obscure.

In-sync to its theme, we witnessed a creative execution of the Rolex Marina Square Boutique; the largest Rolex Boutique in South East Asia by Cortina Watch, transforming into a port welcoming guests to cruise the latest collection. A nautical cuisine was orchestrated by renowned Chef Lino Sauro and Pastry Chef Cheryl Koh, bringing a playful yet ultimate taste-sensation to our all-time favourite seafood. Filling in the background was a deep, sonorous elegant cello performance which has been re-composed to include soundbites from the ocean.



The Streamline Flyback Chronograph Automatic



## H. Moser & Cie.

Unveiling the Streamliner Flyback Chronograph Automatic with Legendary Rock Band U2, SINGAPORE

It took the legendary Irish rock band U2 42 years to host their first-ever concert in Singapore. But Cortina Watch's guests and fans of H. Moser & Cie had the privilege to beat the frustrating fastest-fingers-first-reservation system. Not only did they get to go for the historic helluva concert, but they also had an up-close session with the U2 bassist, Mr Adam Clayton!

Adam was an old-time friend of H. Moser & Cie and as it goes, he agreed to grace the official launch of the Streamliner Flyback Chronograph Automatic in Singapore. Streamliner is a new addition to the H. Moser & Cie's collection. The design unites the codes of minimalism and contemporary elegance that the Schaffhausen brand has made its trademarks. This was one signature launch and the best collaboration seen this year!

## Cartier

The SIHH 2019  
Collection Showcase,  
MALAYSIA

Cartier does not disappoint, their latest novelties are classic showstoppers ranging from Baignoire, Santos, Tonneau to Panthère de Cartier, at the annual Salon International de la Haute Horlogerie 2019 (SIHH 2019). The brand has taken a new approach to watchmaking creation and reinterpreting many of its iconic watches. These collection are some of the most highly anticipating collection amongst the SIHH2019 participating brands.

And these collection have travelled afar from Geneva to Kuala Lumpur, unveiling itself for the first time in the country to the privilege guests at Cortina Watch.





## TAG Heuer

An Exhibition Paying Tribute to Avant-Garde Watchmaking, MALAYSIA

Paying tribute to Tag Heuer's watchmaking innovations since 1860, the creator of many world-firsts in Swiss watchmaking, has put together an exhibition to tell its very own story. The pop-up exhibition at Suria KLCC, highlighted the Avant Garde Watchmaking and its unique legacy through exclusive and historical timepieces. This presentation was curated specially by Catherine Eberlé-Devaux, Heritage Director of Tag Heuer.

Stealing the limelight of the exhibition was the display of a very stunning beauty – a race car Porsche 911. The racing car, visible in its Gulf Heuer livery, paid special tribute to the relationship between Gulf Oil and Tag Heuer since 1970s. The racing car also took us down memory lane, where Steve McQueen had chosen to wear the Tag Heuer Monaco on his wrist throughout the filming of his legendary role in the movie "Le Mans".



## Chopard

### Pursuant of Happiness, THAILAND

Introduced in the Baselworld Collection 2019, Chopard revisits the iconic Happy Sport Oval with a supple new “Galet” bracelet, based on the design from the 1990s. Happy Sports capture the spirit of the age and is one of the most important collection under the artisan. The renowned jeweler & watchmaker turned to Cortina Watch to co-host its debut launch in Bangkok, Thailand. As Happy Sport’s tagline goes “Diamonds are happier when they are free” - referring to the free-spirit spinning diamonds, sometimes we need to give ourselves a little freedom to recharge. With that in mind, Cortina Watch had interestingly put together a series of girls-fun activities enabling that indulgence.





## Breguet

The Heritage of Watch Making,  
THAILAND

Being the pinnacle brand of the Swatch Group, Breguet comes with a rich background of fine watchmaking. Each Breguet timepiece is endorsed by a proud historical and cultural heritage, as well as the in-house avant-garde technology. As its key partner in Thailand, Cortina Watch is passionate to share the very essence of the House of Breguet, enriching guests with the knowledge of its artisanal craftsmanship and techniques.



## Patek Philippe

A 'Chiming' Acquaintance  
with the Minute Repeater,  
TAIWAN

Patek Philippe makes one of the most classical, elegant and perfect sounding Minute Repeater at all times. At Cortina Watch – Patek Philippe Boutique in Taipei 101, the group has invited renowned watch specialist, editor-in-chief of Time Square Magazine Mr Guo Junzhang, to share his vast knowledge on the origin, historical background as well as his views on the exquisiteness of Minute Repeaters. These complex watch mechanisms are representatives of the Genevan watchmaker's prowess and are prized by collectors. Apart from the horology learnings, Cortina Watch has also organized a DIY musical robot assembly class for the light-hearted.



## Patek Philippe

Unveiling the Latest Collection,  
TAIWAN

This year, the Manufacture has once again outdone itself with an outstanding lineup of exceptional new watches with state-of-the-art technical advances. The Patek Philippe 2019 Baselworld Collection made a delightful unveiling exclusively for Cortina Watch's Taiwanese fans.





## Taipei Boutique Opening

Royal-Nikko,  
TAIWAN

The opening of the Royal-Nikko Taipei Boutique marked an important milestone for Cortina Watch, signifying their confidence in the Taiwan market and recognizing its growth potential.

From the entrance façade to the inspiring large-format windows, the boutique's exterior exudes a distinct difference from the other watch retailer stores. In its interior, Cortina Watch Royal-Nikko Taipei Boutique offers a modern and luxurious environment where guests are able to enjoy exploring the latest timepiece collection. For more privacy, guests could opt for the VIP room where they could pamper themselves at the private bar which is attached to it.

The maison also includes a spacious exhibition room that is equipped with digital technology. This space can be creatively reinvented with the help of the installed technology to highlight brand campaigns or product launches. It is exciting to watch how this space can potentially be transformed into the various concepts; bringing on refreshing experiences for the guests each time.



## BOARD OF DIRECTORS



1. Lim Keen Ban, Anthony  
Chairman and Chief Executive Officer
2. Lim Jit Ming, Raymond  
Deputy Chairman and  
Deputy Chief Executive Officer
3. Yu Chuen Tek, Victor  
Senior Executive Director
4. Lim Jit Yaw, Jeremy  
Executive Director and  
Chief Operating Officer
5. Chin Sek Peng, Michael  
Lead Independent Director
6. Lau Ping Sum, Pearce  
Independent Director
7. Foo See Jin, Michael  
Independent Director
8. Long Foo Pieng, Benny  
Independent Director
9. Chuang Keng Chiew  
Independent Director

#### 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 close to 30 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 Chief Operating Officer of Cortina Watch Pte Ltd in 2011 and has been overseeing the company's business operations; which includes retail outlets in Singapore, Malaysia, Thailand and Indonesia, ensuring effective operational and financial procedures implementation. With 20 years of experience in the watch industry, Jeremy remains key to the company's buying activities and development of its inventory strategies. Mr Lim graduated from Edith Cowan University, Australia with a Bachelor of Business majoring in Accounting and Finance. He continued to pursue his major after graduation as an audit senior at KPMG Singapore from 1997 to 2000. In April 2012, Mr Lim was nominated as the President of Singapore Clock and Watch Trade Association. More recently in 2019, he was appointed as a council member of the Singapore Chinese Chamber of Commerce and Industry.

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 and a Board member of PKF International Asia Pacific region. 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 from 1983 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.

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 and a member of the Singapore Institute of Directors.

LAU PING SUM, PEARCE

Lau Ping Sum, 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.

#### 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 since 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.

#### CHUANG KENG CHIEW

Before joining the legal profession in 1998, KC Chuang as he is commonly known, was a Chemical Technologist in a large multi-national oil and gas company for many years before pursuing a career in law. KC Chuang was called to the English Bar in 1996 and admitted to the Singapore Bar in March 1998.

He was a Director of Advent Law Corporation from 1 November 2003 to 31 December 2014. KC Chuang was appointed as a Consultant in Advent Law Corporation since 1 January 2015 and remains as a shareholder of the firm.

KC is active in the community at large. Currently he volunteers at Punggol North on a weekly basis and runs the legal clinic at Punggol 21 CC on a monthly basis. He is also the Secretary of Singapore Hainan Society and Advisor to the Singapore Chong Clan Association.

Past positions held by KC in the community including President of the Singapore Chong Clan Association, Treasurer and Vice President of Hainan Business Club, and Assistant Secretary of Hainan Hwee Kuan.

## ADDITIONAL INFORMATION ON DIRECTORS

	<b>Lim Keen Ban, Anthony</b>	
<b>Date of appointment</b>	15 December 1972	
<b>Date of last re-appointment (if applicable)</b>	26 July 2019	
<b>Age</b>	85	
<b>Country of principal residence</b>	Singapore	
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	Not applicable as Mr Lim is not subject to re-election at the AGM 2020.	
<b>Whether appointment is executive, if so, the area of responsibility</b>	Yes, he is responsible for the overall management, strategic planning and business development of the Group.	
<b>Job Title (e.g. Lead ID, AC Chairman, AC member, etc.)</b>	- Chairman - Chief Executive Officer	
<b>Professional qualifications</b>	None	

	<b>Lim Jit Ming, Raymond</b>	<b>Yu Chuen Tek, Victor</b>	<b>Lim Jit Yaw, Jeremy</b>	<b>Chin Sek Peng, Michael</b>
	5 November 1992	6 June 1985	27 June 2002	13 September 2007
	26 July 2018	26 July 2018	21 July 2017	21 July 2017
	60	67	49	64
	Singapore	Singapore	Singapore	Singapore
	Not applicable as Mr Lim is not subject to re-election at the AGM 2020.	Not applicable as Mr Yu is not subject to re-election at the AGM 2020.	The re-election of Mr Lim as a Director of the Company at the AGM 2020 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim's contributions, qualifications, expertise and past experiences.	The re-election of Mr Chin as a Director of the Company at the AGM 2020 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Chin's contributions, qualifications, expertise and past experiences.
	Yes, 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.	Yes, his main portfolio includes strategic planning and overseeing the finance and corporate affairs to ensure the Group's growth is aligned with the corporate objective.	Yes, his duties include the management of the overall operations and merchandising of retail outlets in Singapore, Thailand, Malaysia and Indonesia.	No, the appointment is non-executive.
	<ul style="list-style-type: none"> <li>- Deputy Chairman</li> <li>- Deputy Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>- Senior Executive Director</li> <li>- Member of Nominating Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>- Lead Independent Director</li> <li>- Chairman of Audit Committee</li> <li>- Member of Nominating Committee</li> </ul>
	None	Bachelor of Business Administration degree from University of Singapore.	Bachelor of Business majoring in Accounting and Finance from Edith Cowan University, Australia.	Bachelor of Arts (Honours) degree in Accounting and Finance from Lancaster University in the United Kingdom. He is a Fellow (practising) Chartered Accountant of Singapore and a Fellow Member of the Institute of Chartered Accountants in England and Wales.

	<b>Lim Keen Ban, Anthony</b>	
<b>Working experience and occupation(s) during the past 10 years</b>	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. He was the President of the Singapore Clock & Watch Trade Association from 2002 to 2008.	
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	Deemed interest of 70,070,425 shares, 42.319%	
<b>Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries</b>	Father of Executive Directors, Lim Jit Yaw Jeremy and Lim Jit Ming Raymond	
<b>Conflict of interests (including any competing business)</b>	None	
<b>Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))</b>	Yes	
<b>Other Principal Commitments including Directorship</b>	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- None</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Subsidiaries of Cortina Holdings Limited</li> <li>- Ming Yaw Pte Ltd</li> <li>- Lim Keen Ban Holdings Pte Ltd</li> </ul> </li> </ul>	



Lim Jit Ming, Raymond	Yu Chuen Tek, Victor	Lim Jit Yaw, Jeremy	Chin Sek Peng, Michael
<p>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.</p>	<p>He has been with Cortina Holdings Limited since 1987 and was appointed Executive Director in 1995. He is now the Senior Executive Director.</p>	<p>He has been with the Group since 2002 and has over 15 years of experience and know-how of the watch retail and distribution industry.</p> <p>He has been the President of the Singapore Clock and Watch Trade Association since April 2012.</p> <p>He is a council member of the Singapore Chinese Chamber of Commerce &amp; Industry (SCCCI) 60<sup>th</sup> Council.</p>	<p>He is the Managing Partner of PKF-CAP group of entities including PKF-CAP LLP, a firm of chartered accountants based in Singapore and a Board member of PKF International Asia Pacific region. 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. As a professional accountant, Mr Chin has extensive experience in external and internal audit work. He has also been in charge of engagements involving litigation support, fraud investigation, financial due diligence, valuation, IPO reporting and advisory work.</p> <p>Mr Chin 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 and a member of the Singapore Institute of Directors. He was formerly a Council member of the Institute of Singapore Chartered Accountants ("ISCA") and the Chairman of the Public Accounting Practice Committee of ISCA.</p>
Deemed interest of 52,657,490 shares, 31.802%	Direct interest of 8,835,015 shares, 5.336% and deemed interest of 7,428,000 shares, 4.486%	Deemed interest of 70,070,425 shares, 42.319%	Nil.
Son of Executive Chairman and CEO, Mr Lim Keen Ban Anthony and elder brother of Executive Director, Lim Jit Yaw Jeremy	None	Son of Executive Chairman and CEO, Mr Lim Keen Ban Anthony and younger brother of Executive Director, Lim Jit Ming Raymond	None
None	None	None	None
Yes	Yes	Yes	Yes
<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- None</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Subsidiaries of Cortina Holdings Limited</li> <li>- Lim Keen Ban Holdings Pte Ltd</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- None</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Subsidiaries of Cortina Holdings Limited</li> <li>- Rennick Pte Ltd</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- None</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Ming Yaw Pte Ltd</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- None</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- PKF-CAP LLP</li> <li>- PKF-CAP Advisory Partners Pte Ltd</li> <li>- PKF-CAP Risk Consulting Pte Ltd</li> <li>- PKF-HT Khoo Public Accounting Corporation</li> <li>- PKF-ACPA Management Consultants Pte Ltd</li> <li>- PKF-Khoo Management Services Pte Ltd</li> <li>- C&amp;L Business Advisers Pte Ltd</li> <li>- Sitra Holdings (International) Ltd</li> <li>- Sunpower Group Ltd</li> <li>- Amcorp Global Ltd (f.k.a. TEE Land Ltd)</li> <li>- PKF-CAP Tax Solutions Pte Ltd</li> <li>- Singapore Women's &amp; Children's Medical Group Ltd</li> </ul> </li> </ul>

		Lim Keen Ban, Anthony
<b>The general statutory disclosures of the Directors are as follows:</b>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	
(c) Whether there is any unsatisfied judgment against him?	No	
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	

	Lim Jit Ming, Raymond	Yu Chuen Tek, Victor	Lim Jit Yaw, Jeremy	Chin Sek Peng, Michael
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	In October 2019, Mr Chin and his partner were appointed joint receivers by their client (Lender) over the charged assets of the Borrowers in relation to a loan made to the Borrowers in 2016. In the loan agreement, the Lender is entitled to additional interest on the loan and the interest is calculated based on the valuation of certain properties owned by the Borrowers. The Borrowers disputed on this additional interest claimed by the Lender and in January 2020, the Borrowers took up a lawsuit against the Lender on grounds that the loan agreement is not valid. Additionally, the Borrowers also took legal action against Mr Chin and his partner as joint receivers by challenging the validity of their appointment as receivers under the security documents. At the pre-trial conference in April, Parties agreed to pursue mediation in an attempt to settle the dispute. The mediation was held in June 2020 but was not successful. It is not clear if parties will make any further attempts to resolve the dispute. In the absence of a settlement, the case will go to trial.

	<b>Lim Keen Ban, Anthony</b>	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	

	<b>Lim Jit Ming, Raymond</b>	<b>Yu Chuen Tek, Victor</b>	<b>Lim Jit Yaw, Jeremy</b>	<b>Chin Sek Peng, Michael</b>
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS

<b>Date of appointment</b>	
<b>Date of last re-appointment (if applicable)</b>	
<b>Age</b>	
<b>Country of principal residence</b>	
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	
<b>Whether appointment is executive, if so, the area of responsibility</b>	
<b>Job Title (e.g. Lead ID, AC Chairman, AC member, etc.)</b>	
<b>Professional qualifications</b>	
<b>Working experience and occupation(s) during the past 10 years</b>	
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	
<b>Any relationship (including immediate family relationships) with any existing director, existing executive office, the issuer and/or substantial shareholder of the listed issuer or of any of its principle subsidiaries</b>	
<b>Conflict of interests (including any competing business)</b>	
<b>Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))</b>	
<b>Other Principal Commitments including Directorship</b>	

	Lau Ping Sum, Pearce	Foo See Jin, Michael	Long Foo Pieng, Benny	Chuang Keng Chiew
	27 June 2002	15 December 1972	1 July 2000	24 May 2019
	26 July 2019	21 July 2017	26 July 2019	26 July 2019
	80	73	51	63
	Singapore	Singapore	Singapore	Singapore
	Not applicable as Mr Lau is not subject to re-election at the AGM 2020.	The re-election of Mr Foo as a Director of the Company at the AGM 2020 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim's contributions, qualifications, expertise and past experiences.	Not applicable as Mr Long is not subject to re-election at the AGM 2020.	Not applicable as Mr Chuang is not subject to re-election at the AGM 2020.
	No, the appointment is non-executive.	No, the appointment is non-executive.	No, the appointment is non-executive.	No, the appointment is non-executive.
	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Chairman of Remuneration Committee</li> <li>- Chairman of Nominating Committee</li> <li>- Member of Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Member of Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Member of Audit Committee</li> <li>- Member of Nominating Committee</li> <li>- Member of Remuneration Committee</li> </ul>
	Bachelor of Economics from the Australian National University and a Diploma in Business Administration from University of Singapore.	None	Associate Degree in Aviation Maintenance Technology from Embry-Riddle Aeronautical University in Florida, the United States of America.	LL.B. (Honours) Advocate & Solicitor – practising lawyer since 1998 Volunteers at the The Law Society of Singapore and SILE.
	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.	He has been in the food and beverage industry for over 37 years.	None	He was a Director of Advent Law Corporation from 1 November 2003 to 31 December 2014. He was appointed as a Consultant in Advent Law Corporation since 1 January 2015.
	Direct interest of 30,000 shares, 0.018%	Direct interest of 7,107,320 shares, 4.292%	Direct interest of 8,270,000 shares, 4.995%	Direct interest of 7,000 shares, 0.004%
	None	None	None	None
	None	None	None	None
	Yes	Yes	Yes	Yes
	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- None</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Huan Hsin Holdings Ltd</li> <li>- Sunpower Group Ltd</li> <li>- P5 Capital Holdings Ltd</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- Nil</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Nil</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- Nil</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Nil</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Past (for the last 5 years):</b> <ul style="list-style-type: none"> <li>- Advent Law Corporation</li> </ul> </li> <li>• <b>Present:</b> <ul style="list-style-type: none"> <li>- Nil</li> </ul> </li> </ul>

The general statutory disclosures of the Directors are as follows:	
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?
(c)	Whether there is any unsatisfied judgment against him?
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-
(i)	any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
(ii)	any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
(iii)	any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
(iv)	any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

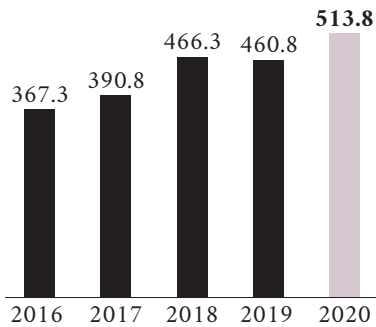
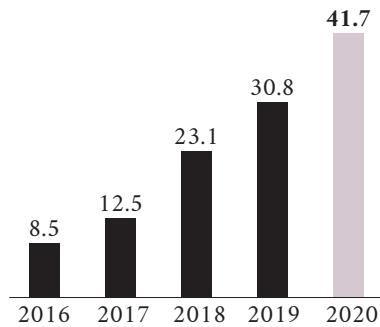
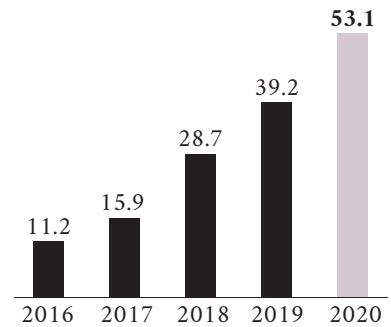
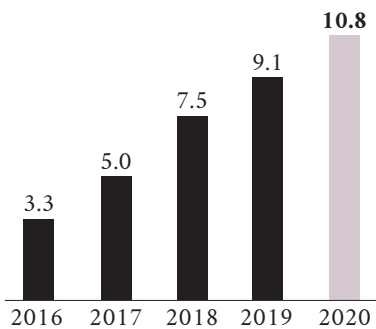
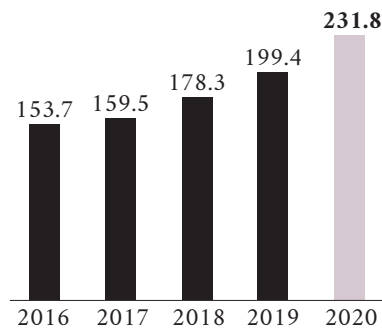


	Lau Ping Sum, Pearce	Foo See Jin, Michael	Long Foo Pieng, Benny	Chuang Keng Chiew
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No

# 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)

**23.7¢**  
Basic Earnings  
Per Share

**140.0¢**  
Net Assets  
Per Share

	FY2016	FY2017	FY2018	FY2019	FY2020
<b>S\$ Million</b>					
Turnover	367.3	390.8	466.3	460.8	513.8
Profit before Tax	11.2	15.9	28.7	39.2	53.1
Profit after Tax	8.5	12.5	23.1	30.8	41.7
Dividend (Net)*	3.3	5.0	7.5	9.1	10.8
Shareholders' Equity	153.7	159.5	178.3	199.4	231.8
<b>Cents</b>					
Basic Earnings Per Share	5.1	7.1	13.5	17.5	23.7
Net Assets Per Share	92.8	96.3	107.7	120.4	140.0

# SUSTAINABILITY REPORT

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## BOARD STATEMENT

Cortina Holdings Limited, together with its subsidiaries (the “Group”, “We”, “Our” or “Cortina Watch”) is pleased to present our sustainability report for the Financial Year 2020 (“FY2020”). This is our third sustainability report and we deeply value our stakeholders’ support in our journey towards sustainability.

At Cortina Watch, we embrace sustainability as a guiding principle at both strategic and operational levels. The Board of Directors (the “Board”) oversees the management and governance of the Group’s sustainability direction, ensuring that our sustainable practices and goals are aligned with the Group’s strategic business direction. With this, the Board oversees the preparation of this report and monitors the selection of material factors for the Group. Through active stakeholder engagement, we have identified the economic, social and environmental factors that may impact our business, such as energy consumption, workplace health and safety, human capital development, product quality, customer satisfaction and corporate social responsibility, as well as the strategies that have been implemented in response to these factors. These are prioritised based on the likelihood and potential impact of these factors on business sustainability and development.

As we progressed through FY2020 and into FY2021, we are faced with the continued evolution of the COVID-19 pandemic. Precautionary measures are implemented at our boutiques and office premises. We are working with the health and government bodies to maintain safety and health procedures to safeguard our customers and employees. To ensure we continue to deliver the Cortina Watch Experience, our online store continues to operate within the safety guidelines established by the authorities.

As the Group steps up and responds to this pandemic, we remain focused on our vision of being a leading retailer and distributor of luxurious timepieces and accessories across the Asia Pacific region. We are committed to providing our valued customers with timepieces of the highest quality. The sustainability of the Cortina brand is achieved through our dedication to effective engagement with our business partners and customers.

We conduct our business in manners that are ethically, socially and environmentally responsible. We encourage initiatives that help contribute positively to the economy, the environment and social development. We recognise the importance of fostering a diverse and inclusive workplace that is reflective of the existing markets so as to better understand and serve our diverse customer base. We also create a healthy and safe workplace environment for the well-being of our employees. Employees are expected to maintain the highest standards of integrity and trust in all business relationships and dealings.

To stay relevant and competitive in the changing business environment as a result of COVID-19 pandemic with new challenges and need to drive further digital evolutions, the Board will continue to look into new initiatives and developments to support the Group in achieving greater value and growth for our stakeholders.

## ABOUT THIS REPORT

This report focuses on the sustainability performance of our business in Singapore and the Asia Pacific regions for the year ended 31 March 2020. This report covers the Group's strategies, initiatives and performance in relation to Environmental, Social and Governance ("ESG") matters. By publishing this report, we hope to share our commitment towards sustainability with our valued stakeholders. The previous Sustainability Report was published in July 2019.

This report is prepared in compliance with Rules 711A and 711B of the Singapore Exchange ("SGX") and SGX Sustainability Reporting Guide, as well as with reference to the Global Reporting Initiative ("GRI") Standards: Core Option.

We are committed to adhere to the GRI principles for the definition of the report's content and quality, including stakeholder inclusiveness, sustainability context, materiality and completeness. In ensuring the quality of the report, the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness have been adopted.

This report does not include any outsourced activities, joint ventures and suppliers. We have attempted to report only issues that are material to Cortina Watch.

No restatements were made from the previous report and there were no significant changes to the organisation and our supply chain during the reporting period.

We have not sought any independent assurance for the ESG and economic performance data and information presented in this report. We rely on our internal process to verify the accuracy of the data and information reported. We will continue to work on enhancing our reporting processes and consider obtaining external assurance when appropriate.

We appreciate feedback and suggestions from our stakeholders with regards to this report or any aspect of our sustainability performance. Please feel free to reach out to us at <http://www.cortina.com.sg/get-in-touch/>.

## ABOUT CORTINA WATCH

### COMPANY PROFILE

Established since 1972, Cortina Watch's principal business focuses in the retail and distribution of luxury timepiece and accessories. Cortina Watch is incorporated and headquartered in Singapore and was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard since 29 July 2002.

Over in Taiwan, we expanded our retail footprint to capture new opportunities in this market. During end 2020, we commenced renovation works on a new boutique at E Sky Land mall in Kaohsiung. Well-located amidst an affluent community, this new outlet is expected to showcase an extensive selection of exquisite timepieces and is projected to be officially unveiled in FY2021.

With a team of 362 dedicated employees, we continue to strengthen our network of retail boutiques within Singapore, as well as other countries across the Asia Pacific region, such as Hong Kong, Malaysia, Indonesia, Thailand and Taiwan, represented by the Group's subsidiary companies (please refer to the Group Structure presented in the Group's Annual Report 2020 for all subsidiaries). With addition of our new boutique in Kaohsiung, we shall have 24 retail boutiques located in the major cities of the countries we operate in. We carry over 30 international brands in our product range, such as Patek Philippe, Rolex, Omega, Jaeger - LeCoultre, Bell & Ross, Bvlgari, Cartier, IWC, Longines, Mont Blanc, TAG Heuer and amongst others. We distinguish ourselves through our specialist retail boutiques and our hospitality towards our customers. We leverage on our business relationship established and maintained with the luxury brands over the years, which allows us to bring in exclusive timepieces for our customers. Cortina Watch strives to deliver the experience our valued watch cognoscenti is used to in our retail boutiques.

#### VISION

To be the Asia Pacific leader in luxury watch retailing and distribution and the preferred choice for timepiece aficionados of style, elegance and class.

#### MISSION

To offer to our clients an extensive, intricately curated selection of preeminent luxury watch brands through our expansive distribution channels and well-situated, impeccably furnished boutiques, while delivering top-notch service through our professional, client-centric and knowledgeable sales force.

## MEMBERSHIP OF ASSOCIATIONS

The Group's management has held positions in various industry bodies and public organisations throughout the years, such as the Singapore Clock and Watch Trade Association and the Singapore Chinese Chamber of Commerce & Industry (SCCCI). Mr Anthony Lim, Cortina Watch's Chairman and Chief Executive Officer, had been actively involved in the Singapore Clock & Watch Trade Association and was the President of the association from 2002 to 2008. Mr Jeremy Lim, the Executive Director of the Group, has been the President of the Singapore Clock and Watch Trade Association since April 2012. He is also a council member of the Singapore Chinese Chamber of Commerce & Industry (SCCCI).

Cortina Watch also participated in the Watch Art Grand Exhibition Singapore 2019 organised by Patek Philippe, which hosted 68,000 visitors from 28 September 2019 to 13 October 2019. This was Patek Philippe's largest and most successful exhibition to date, surpassing those held in other major cities such as Dubai, Munich, London and New York.

Our active involvement in trade associations and industry events increases our brand awareness, allows us to connect with potential clients, as well as keep ourselves abreast of the latest industry development and trends. Moving forward, the Group will continue to form collaborations with industry partners in support of the Singapore government's agenda of becoming a smart and sustainable city.

## SUPPLY CHAIN MANAGEMENT

We extend our approach to sustainability to our customers, suppliers, employees and communities. Our teams work together in enhancing our commitment towards building a responsible and sustainable supply chain.

To ensure the sustainability of our business, we conduct risk-based assessment in our supplier selection and evaluation process. We evaluate our existing and potential suppliers based on their brand value, quality, experience and expertise. We ensure that the suppliers selected meet high quality standards in the provision of goods and services as well as are socially, ethically and environmentally responsible. With the aim of maintaining an efficient distribution system, we continuously innovate our internal process and nurture long-lasting and good relationship with suppliers.

We also uphold responsible marketing and sales practice throughout our retail boutiques to safeguard our customers' interest. We actively engage with our customers through various events organised by the Group. We also welcome customer and community feedback to improve our marketing practices.

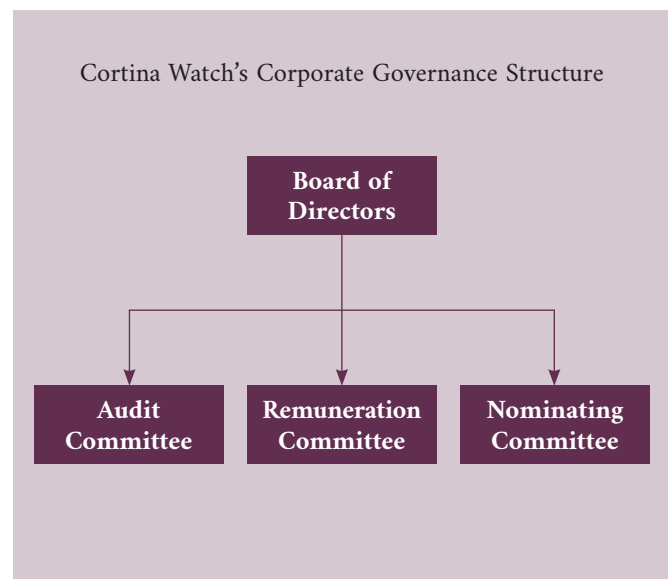
We minimise the impact of post-consumer waste by introducing innovative and environmental-friendly packaging such as seeking out sustainable packaging options that also meets the needs of our customers.

## SUSTAINABILITY GOVERNANCE

Cortina Watch aspires to uphold the highest standards of corporate governance. We believe that corporate governance is the key focus in ensuring the sustainability of our business. Thus, we place great emphasis on high standards of corporate governance, accountability, professionalism, and integrity.

At Cortina Watch, the senior management leads our sustainability efforts and ensures that the Group's sustainability development aligns with our business objectives. The Group's sustainability strategies are reported to the Board on a periodical basis.

Please refer to the Corporate Governance Report section in the Annual Report for more information.



## STAKEHOLDERS ENGAGEMENT

Cortina Watch remains consistent in managing our stakeholders where possible as we acknowledge the demands and concerns of stakeholders are critical to the Group's long-term success. We identified and prioritised our key stakeholders based on the assessment of their dependence and influence on the business. We actively seek stakeholders' feedback and concerns through various communication channels.

The table below summarises the engagement activities, stakeholder expectations and frequency of activities with key stakeholders:

Stakeholder Group	Engagement Activities	Stakeholder Expectations	Frequency
<b>Customers</b>	Refurbishment and upgrade of newly opened and existing boutiques raises the customer experience  Hosting of events to strengthen customer relationships	Exceptional shopping experience with a variety of luxury watches	Ongoing
<b>Suppliers</b>	Maintaining business dealings with suppliers who meet high standards in areas such as ethical conducts and workplace standards	Compliance with terms and conditions of purchasing policies and procedures, maintain ethical standards	Ongoing
<b>Employees</b>	Providing a conducive environment for work and implement trainings for staff	Staff rights and welfare, personal development, good working environment	Ongoing
<b>Shareholders</b>	Releasing unaudited financial statements on a half-yearly basis, and corporate announcements on a timely basis	Profitability, transparency, timely reporting, fair purchasing practices and matters requiring disclosure to shareholders	Half-yearly Or As per SGX Guideline
<b>Financial Institutions</b>	Maintaining good relationships with bankers	Transparency, timely reporting	Ongoing
<b>Business Partners</b>	Holding events such as Swiss Event, collaborated with business partners to showcase evolution of time, history of watchmaking	Partnership for opportunities and growth	Ongoing
<b>Government and Regulators</b>	Maintaining good working relationship with regulators and disclose pertinent information timely	Environmental-friendly business approach, compliance with regulations, timely reporting and resolution of issues	Ongoing



## MATERIALITY ASSESSMENT

We continually engage with our internal and external stakeholders to understand their concerns and emerging priorities. Their feedback provides a core input in determining and reassessing the key material topics on their relevance and significance to the Group and our stakeholders. Based on our review and input from stakeholders, the material topics previously identified and disclosed in the Sustainability Report for FY2019 remain relevant in FY2020.

Topics	Element
Economic	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Anti-Corruption</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Local Communities</li> <li>• Customer Privacy</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Energy</li> </ul>

We will continue to conduct the materiality review and obtain feedback from our stakeholders to ensure that our material topics remain relevant and significant to the Group and our stakeholders.

## ECONOMIC PERFORMANCE

During FY2020, the Group's reported revenue of S\$513.8 million, 11% increase from FY2019's revenue of S\$460.8 million. Net profit rose from S\$30.8 million in FY2019 to S\$41.7 million in FY2020, while gross profit margin rose to 27.2% in FY2020 from 25.3% in FY2019. The earning per share in FY2020 was reported 23.7 cents, compared to FY2019 17.5 cents. We target to attain sustainable economic growth annually.

**FY2020 Revenue**  
**S\$513.8m**  
 S\$460.8m in FY2019

**FY2020 Net Profit**  
**S\$41.7m**  
 S\$30.8m in FY2019

**FY2020 Earnings  
per share**  
**23.7 cents**  
 17.5 cents in FY2019

**FY2020 Gross  
Profit Margin**  
**27.2%**  
 25.3% in FY2019

Further details on our economic value can be found throughout the Group's Annual Report 2020.

## ANTI-CORRUPTION

At Cortina Watch, we believe that enhancing good corporate governance, transparency and accountability is our core responsibility towards our stakeholders. We have zero tolerance for any acts of bribery, corruption and fraud. We are committed to conducting business in accordance with all applicable laws, rules, regulations in jurisdictions in which we operate and the highest ethical standards.

The Group has a Whistle Blowing Policy which was approved by the Board. The policy is intended to act as a reporting structure and a transparent channel of communication that enables and encourages internal and external stakeholders to raise concerns about possible irregularities within the Group. The Group's Audit Committee ("AC") oversees the administration of the framework and ensures that procedures are in place so that independent investigations and appropriate follow-up actions can be carried out. Any incidence of unlawful, unethical or fraudulent behaviour shall be reported to the Executive Directors or Human Resource Department, and subsequently to the AC Chairman.

We have developed internal policies, procedures and controls for anti-corruption and anti-money laundering measures. These policies, procedures and controls were circulated to all employees for adherence. Throughout the year, our employees had also attended training sessions to reinforce the importance of avoiding unlawful, unethical or fraudulent behaviour as well as on the appropriate ways in dealing with customers to mitigate the risk. Examples and real-life scenarios were shared and group discussions were conducted during the trainings.

As a result of our efforts in maintaining good corporate governance within the Group, during the reporting period, there were no reported incidents of unethical behaviour in marketing and no instances of bribery. We aim to maintain zero incidents of unethical behaviour in marketing and corruption.

## OUR GREEN FOOTPRINT

Cortina Watch is committed to managing the impact our business operations bring to the environment. We reduce our environmental footprint by implementing energy efficiency initiatives in our administrative offices and retail boutiques that help to reduce the electricity usage, which is the main source of energy. Various initiatives to reduce energy consumption were implemented within the Group, including:



By encouraging our people to actively commit in our environmental endeavours, we will continue to implement and enhance our energy conservation measures. Moving forward, we will start monitoring and performing an analysis on our electricity consumption. We strive to ensure energy consumption is reduced for the years to come.

## EMPLOYMENT

Cortina Watch recognises its employees as the key drivers for the Group's sustainable business growth and success. We focus on enhancing our culture and presenting a fair, conducive and positive work environment to ensure employees are comfortable and happy working with us. We encourage workplace diversity and embrace the presence of our employees from diverse backgrounds, ethnics, age groups, and genders.

The Group has established an employment policy which promotes transparency and fairness in recruiting talents and managing their career development. We continue to attract and retain the right talents with relevant knowledge and experience by offering them a comprehensive remuneration package which is competitive in the industry. We place our employees' well-being in our top priority. We provide various employee benefits on top of the minimum legislative requirements.

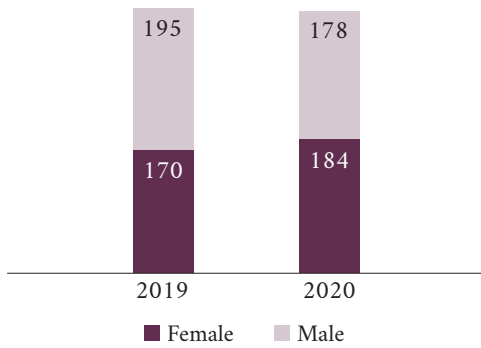
We ensure that our employment practices adhere to the relevant laws and regulations within the jurisdictions of countries we operate in, in terms of recruitment, remuneration and employee benefits. The senior management carries out periodic review of the policy to ensure that the policy remains relevant to our business practices.

The Group also establishes training programmes for employees to equip them with necessary hard and soft skills. We provide equal opportunities to all employees and supports our employees in achieving their career goals. We have also adopted a performance-based reward system whereby a performance review is carried out on an annual basis to evaluate employees' performance. Reward such as increment, promotion and bonus to employees are determined by their performance.

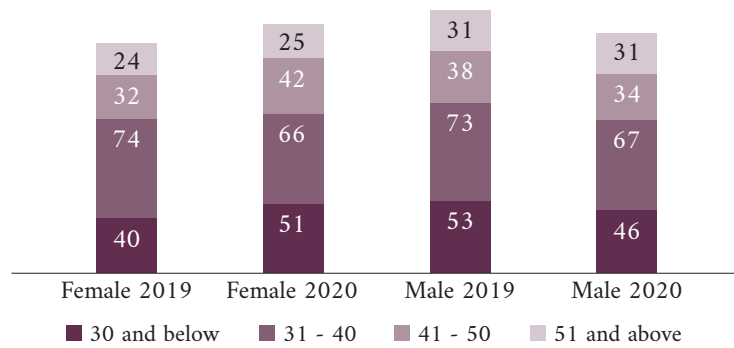
As at 31 March 2020, Cortina Watch had a total number of 362 employees. Of which, 184 were female and 178 were male. We promote equality in workplace. The proportion of female over male employees holding a position of management and above was 48% and 52%. Our employee turnover rate for FY2020 had reduced to 15% from 23% reported in FY2019 and we strive to continue to retain our employees.

The chart below depicts the statistical snapshot of total employees in Cortina:

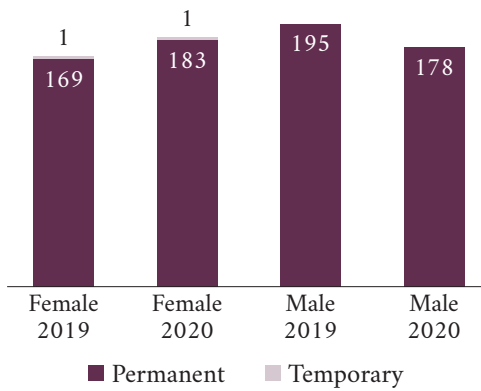
**By gender as at 31 March 2019 vs 31 March 2020**



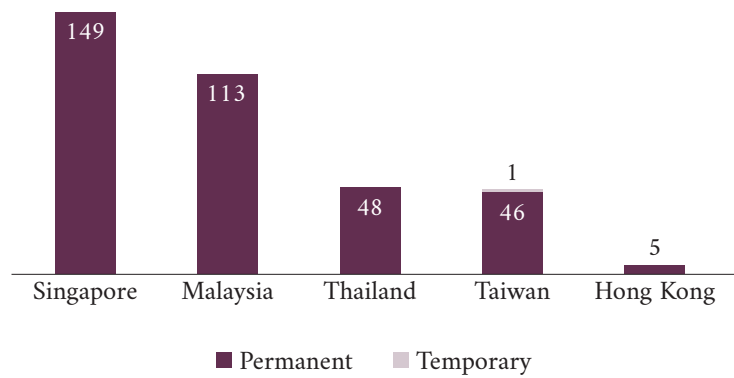
**By gender and age as at 31 March 2019 vs 31 March 2020**



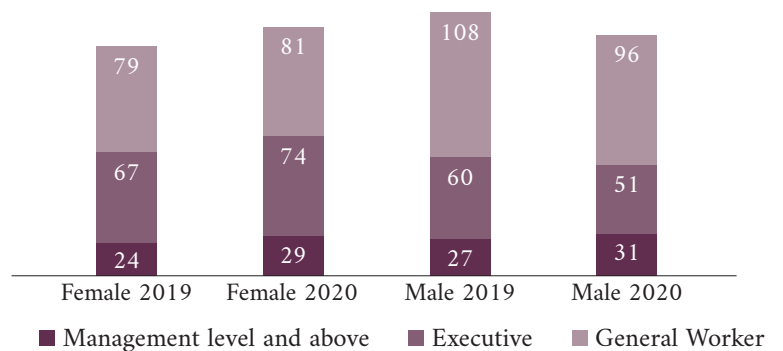
**By employment type as at 31 March 2019 vs 31 March 2020**



**By employment type, region as at 31 March 2020**



**By category and gender as at 31 March 2019 vs 31 March 2020**



## ENGAGING OUR COMMUNITIES

Being a socially responsible corporation, the Group actively brings positive contributions to the well-being of the communities. Cortina Watch emphasises creating economic value in ways that also create value for society.

The Group continues its philanthropic efforts in supporting healthcare, education, arts and culture. Throughout the year, we have made donations to 23 organisations and foundations, including hospitals, community clubs, Singapore Red Cross, and various associations.

We encourage our employees to share and participate in volunteer activities or programmes outside our initiatives. Moving forward, we will continue to enhance our social commitment and reach out to various segments of the community through our initiatives.

## CUSTOMER PRIVACY

Cortina Watch upholds its responsibility in maintaining the privacy and security of the personal data of our customers, employees and other stakeholders. We manage customers' personal data in accordance with the Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore ("PDPA") as well as the General Data Protection Regulation ("GDPR") (EU) 2016/679 for customers residing in jurisdictions outside Singapore, such as the United Kingdom or European countries.

We have also established the Privacy Policy, which defines our internal policies and procedures on personal data handling and processing. The policy represents our promise to protect and manage our customers' personal data in a responsible manner. The Privacy Policy is available on Cortina Watch's website at <https://www.cortinawatch.com/en/privacy-policy/>.

There were no reported instances of breaches of customer privacy and leakage or loss of personal data during the year.

We will continue to review our Privacy Policy on a periodic basis to ensure the policy accurately reflects the current practice and relevant laws and regulations. We aim to continue our effort in achieving zero reported incidents in relation to breaches of customer privacy.

## GRI CONTENT INDEX

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GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
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GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
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## CORPORATE GOVERNANCE REPORT

Cortina Holdings Limited (the “Company”) is committed to ensuring 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 2018 (the “Code”). The Company has complied in all material aspects with the principles and guidelines of the Code, and where there are deviations from the Code, appropriate explanations are provided.

### BOARD MATTERS

#### Board’s Conduct of its Affairs

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

#### **Provision 1.1 Board’s Role**

The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The role of the Board is 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) instil an ethical corporate culture and ensure that the company’s values, standards, policies and practices are consistent with the culture;
- (e) ensure transparency and accountability to key stakeholder groups; and

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](http://www.cortina.com.sg).

#### **Provision 1.2 Directors’ Duties and Responsibilities**

Directors are required to understand the Company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

#### ***Compliance with Listing Requirements***

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the Singapore Exchange Trading Limited (“SGX-ST”). The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of the Listing Rules of SGX-ST (“Listing Rules”) undertaking to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply. A similar undertaking has been executed by the Financial Controller in his capacity as Executive Officer.

The Board ensures timely, reliable and full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Rules Manual of the of SGX-ST.

The Company has in place a process of induction, training and development for both new and existing Directors.

***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 familiarize himself with their roles, organization 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.

If the new director is a first-time director of a listed company, he must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

Mr Chuang Keng Chiew who was appointed as Director on 24 May 2019 as a first-time director of a listed company has attended the four core modules of the Listed Entity Director programme conducted by the Singapore Institute of Directors.

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 FY2020 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 there is a need to update such standards;
- The Board was briefed on the compliance with SGX Listing Rules and 2018 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.



**Provision 1.3****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.

**Provision 1.4****Delegation of Authority to Board Committees**

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 segments of this report under Principles 4 to 10 detail the activities of the NC, RC and AC respectively.

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

Name of director	Board appointments		Board Committees		
	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	Chairman	Chairman
Foo See Jin		*	-	-	Member
Long Foo Pieng		*	-	-	-
Chuang Keng Chiew		*	Member	Member	Member

### Provision 1.5 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 2020:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	3	4	1	1
Name of Directors	Number of meetings attended			
Lim Keen Ban	3	N.A.	N.A.	N.A.
Lim Jit Ming	3	1*	N.A.	N.A.
Yu Chuen Tek	3	N.A.	1	N.A.
Lim Jit Yaw	3	3*	N.A.	N.A.
Chin Sek Peng, Michael	3	4	1	N.A.
Lau Ping Sum, Pearce	3	4	1	1
Foo See Jin	3	N.A.	N.A.	1
Long Foo Pieng	3	N.A.	N.A.	N.A.
Chuang Keng Chiew <sup>1</sup>	3	3	N.A.	N.A.

<sup>1</sup> Mr Chuang Keng Chiew was appointed as a Director and a member of the Audit, Nominating and Remuneration Committees on 24 May 2019.

\* Attended meeting as invitee.

N.A. – Not applicable when the Director is not a member of the Board Committee.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. It 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. The Board also considers other listed board representations held by the Directors and ensures that Directors give sufficient time and attention to the affairs of the Group.

### Provision 1.6 Board's Access to Information

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognizant 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 meeting. The Board has unrestricted access to the Company's records and information.

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

**Provision 1.7**

**Board's Access to Management, Company Secretary and External Advisers**

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.

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

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.

**BOARD COMPOSITION AND GUIDANCE**

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

**Provision 2.1**

**Independent Directors**

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

The criterion for independence is based on the definition given in the Code and in the Listing Rules. The Code has defined an "independent" director as one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. Under the Listing Rules, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC;

The independence of each Independent Director is reviewed annually by the NC, based on the definition of independence as stated in the Code and the Listing Rules of SGX-ST.

For the purpose of determining Directors' independence, on an annual basis, 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.

***Review of Independence of Directors***

Under the Listing Rules of SGX-ST which take effect from 1 January 2022, an independent director will not be considered independent if he has served on the Board for more than nine years. 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 appointments.

The NC has implemented a framework for the rigorous review of the independence of Directors who have served for more than 9 years. Each of Mr Lau, Mr Foo, Mr Long and Mr Chin had completed 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 reviews, each Independent Director had confirmed that neither 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 had been 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 are of the view that Mr Lau, Mr Foo, Mr Long and Mr Chin have maintained their objectivity and independence at all times in the discharge of each of their duties as Director of the Company. They have 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 a risk management framework and the setting of remuneration of Executive Directors, key management personnel and people related to the CEO.

In addition, the NC and the Board had reviewed rigorously whether Mr Foo's independence would in any way be compromised by his 4.3% shareholding in the Company and long years of service on the Board. Mr Foo's shareholding was acquired a long time ago and that his shareholdings have been 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 would in any way be compromised by his 4.99% shareholding in the Company and long years of service on the Board. Mr Long's shareholding was acquired a long time ago and the NC and the Board have viewed it positively that his interest was aligned with that of the Company and all other shareholders.

Each of Mr Lau and Mr Chin as NC members did not participate in the NC's deliberations of his own independence. Each of Mr Lau, Mr Foo, Mr Long and Mr Chin did not participate in the Board's deliberation of his own independence.

### **Provisions 2.2 and 2.3**

#### **Composition of Independent Directors and Non-Executive Directors on the Board**

The Board comprises 9 directors of which 4 are Executive Directors and 5 are Non-Executive and Independent Directors.

In accordance with the requirement under the Listing Rules, the Independent Directors should make up at least one-third of the Board. Under Provision 2.2 of the Code, the independent directors should make up the majority of the Board where the Chairman is not independent. Under Provision 2.3 of the Code, the Non-Executive Directors should make up a majority of the Board. All the Non-Executive Directors are Independent Directors. The composition of the Board complies with the requirements of the Listing Rules and the Code.

### **Provision 2.4**

#### **Size and Diversity of the Board**

The Board is of the view that the current Board size is appropriate taking into account the scope and nature of the business of the Group. The Board supports a diversity policy to ensure there is an appropriate balance of skills, knowledge and experience as well as gender representation within the Board. The current Board comprises persons whose diverse skills, experience and attributes provide for effective direction of the Group. The Board aims to have gender inclusivity as an important aspect for more constructive debate and depth to its decision making.

The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate size, mix of competencies and diversity for effective functioning and informed decision-making. For new appointments to the Board, the NC will consider each candidate's merits and suitability as well as how he or she can contribute to board diversity.

The profiles of the directors are disclosed in the "Board of Directors" section of this Annual Report.

### **Provision 2.5**

#### **Role of Non-Executive Directors**

During the year, the Non-Executive Directors (who are all Independent 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.

During the year, the Non-Executive and Non-Independent Directors led by the Lead Independent Director communicate among themselves without the presence of Management as and when the need arose. Where appropriate, the Lead Independent Director provides feedback to the Board and/or Chairman as appropriate.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

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

### **Provisions 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. While the roles of Chairman and CEO are held by Mr Lim, the responsibilities of Chairman and CEO are separate and distinct.

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.

### **Provision 3.3**

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

### **Provisions 4.1 and 4.2 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 Lau Ping Sum, Pearce (Chairman)	(Independent Director)
Mr Chin Sek Peng, Michael	(Lead Independent Director)
Mr Chuang Keng Chiew	(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 review board succession plans for directors and key management personnel, in particular the Chairman and the CEO;
- To recommend to the Board, the appointments and re-appointments of directors;
- To ensure that independent directors meet SGX-ST's and the Code'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 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; and
- To assess the independence of the Independent Directors.

### ***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.

### **Provision 4.3 Process for the Selection, Appointment and Re-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.

Rule 720(5) of the Listing Manual of the SGX-ST requires all directors to be subject to re-nomination and re-appointment at least once every three years. Article 91 of the Company's Constitution (read with Rule 720(5) of the Listing Manual of the SGX-ST) requires one-third of the Board to retire from office at each annual general meeting ("AGM"). 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 NC has recommended to the Board the re-election of Mr Lim Jit Yaw Jeremy, Mr Chin Sek Peng Michael and Mr Foo See Jin who will retire by rotation pursuant to Article 91 of the Constitution of the Company at the forthcoming annual general meeting. Mr Chin has abstained from the NC's deliberations on his re-election.

In accordance with the Listing Rules, the information as set out in Appendix 7.4.1 of the Listing Manual in respect of Mr Lim Jit Yaw Jeremy, Mr Chin Sek Peng Michael and Mr Foo See Jin are provided under the "Board of Directors" section of this Annual Report.

#### **Provision 4.4**

##### **Determining Directors' Independence**

The NC had conducted an annual review of the independence of the Independent Directors as set out in Provision 2.1 above and had ascertained that they are independent.

#### **Provision 4.5**

##### **Directors' multiple board representations**

The NC decides if a Director is able to and has been adequately carrying out his or her duties as a director of the Company vis-à-vis his other listed company directorships and principal commitments.

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.

Details of the Directors' principal commitments and outside directorships are set out in the "Board of Directors" section of this Annual Report.

## **BOARD PERFORMANCE**

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

#### **Provisions 5.1 and 5.2**

##### **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.

##### ***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 FY2020 and was of the view that the performances of the Board Committees and the Board had been satisfactory.

### ***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. If the Directors sits on a Board Committee, the NC will review the Director's performance and contribution to the effectiveness of the Board Committee.

For FY2020, based on the assessment done on the contribution of individual directors, the NC was of the view that each Director had had allocated sufficient time and resources to the affairs of the Company and adequately carried out his duties as a Director and had contributed to the satisfactory performance of the Board and Board Committees.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

## **REMUNERATION MATTERS**

### **Procedures for Developing Remuneration policies**

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

### **Provisions 6.1 and 6.2**

#### **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 Foo See Jin	(Independent Director)
Mr Chuang Keng Chiew	(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 Executive Directors and key management personnel;
- To review the specific remuneration packages for each Executive Director and key management personnel;
- To recommend the compensation framework for Non-Executive Directors to the Board 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, CEO or substantial shareholder 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.

### **Provision 6.3**

#### **Review of remuneration**

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

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. The RC has reviewed and concluded that the termination clauses are fair and reasonable and there are no onerous or over-generous removal clauses are contained in the employment contract.

### **Provision 6.4**

#### **Engagement of remuneration consultants**

The recommendations of the RC will be submitted to the Board for approval. 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. For FY2020, there was no engagement of remuneration consultant.

## **LEVEL AND MIX OF REMUNERATION**

### **Disclosure on Remuneration**

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

### **Provision 7.1**

#### **Remuneration of Executive Directors and Key Management Personnel**

Each Executive Director and key management personnel has a service agreement with the Company. The remuneration structure provides for basic salaries, annual wage supplement, and incentive bonus which is tied to the performance of the individual and the Group.

The level and mix of each remuneration package of the Executive Directors are 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 is 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.

Key management personnel are compensated on a fixed plus variable basis based on individual and the Group's performance.

The RC would periodically review the Group's remuneration framework for Executive Directors and Key management personnel to ensure that performance related remuneration is aligned with interests of the Company and its shareholders and promotes the long-term success of the Group.

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.

#### **Provision 7.2**

##### **Remuneration of Non-Executive and Independent 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 Board Committees. The directors' contributions and attendance at meetings are taken into consideration in determining the directors' fee structure.

#### **Provision 7.3**

##### **Appropriate remuneration to attract, retain and motivate Directors and key management personnel**

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.

## DISCLOSURE OF REMUNERATION

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

### Provisions 8.1 and 8.2 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 2020 is as follows:

Remuneration Band and Name of Director	Fee %	Salary %	Bonus %	Other Benefits*
<b>3,750,000 to \$4,000,000</b>				
Lim Keen Ban (also CEO)	2	12	85	1
<b>\$2,500,000 to \$2,750,000</b>				
Lim Jit Ming#	2	18	79	1
<b>\$2,250,000 to \$2,500,000</b>				
Yu Chuen Tek	2	19	76	3
<b>\$1,250,000 to \$1,500,000</b>				
Lim Jit Yaw#	3	25	69	3
<b>Below \$250,000</b>				
Chin Sek Peng, Michael	100	-	-	-
Lau Ping Sum, Pearce	100	-	-	-
Lee Ah Fong <sup>1</sup>	100	-	-	-
Foo See Jin	100	-	-	-
Long Foo Pieng	100	-	-	-
Chuang Keng Chiew <sup>2</sup>	100	-	-	-

<sup>1</sup> Mr Lee Ah Fong ceased as Director on 26 July 2019.

<sup>2</sup> Mr Chuang Keng Chiew was appointed Director on 24 May 2019.

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

# Mr Lim Jit Ming and Mr Lim Jit Yaw are the sons of Mr Lim Keen Ban, controlling shareholder, Chairman and CEO.

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 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 to maintain some degree of their personal confidentiality on remuneration matters.

### Remuneration of Key Management Personnel

The remuneration paid to the key management personnel (who are not Directors or the CEO) for FY2020 is as follows:

	Salary %	Bonus %	Other Benefits* %	Total %
<b>S\$500,000 to S\$749,999</b>				
Tay Liam Khoon	48	50	2	100
<b>S\$250,000 to S\$499,999</b>				
Lim Yin Chian#	62	31	7	100
Yuen King Yu Andrew	63	36	1	100
Krist Chatikaratana	39	60	1	100
Cheah Yoke Kian Dorris	56	16	28	100
Tan Han Lim	51	26	23	100
<b>Below S\$250,000</b>				
Tshai Kin Chon Ivan	73	27	-	100

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

# Ms Lim Yin Chian is the daughter of Mr Lim Keen Ban, controlling shareholder, Chairman and CEO.

The aggregate of total remuneration paid or accrued to the key management personnel (who are not directors or the CEO) for FY2020 was S\$2,968,305.

### Immediate Family Member of Directors or the CEO

The following are employees who are immediate family members of Mr Lim Keen Ban, controlling shareholder, Chairman and CEO. Their remuneration in bands of S\$100,000 during the financial year ended 31 March 2020 are shown below:

	Relationship to Mr Lim Keen Ban
<b>\$200,000 to \$299,999</b>	
Chia Nyok Song @ Cheah Yoke Heng	Spouse
Cheah Kok Chong	Brother-in-law
<b>\$100,000 to S\$199,999</b>	
Lim Hui Ying	Granddaughter
<b>Below S\$100,000</b>	
Lim Jun Shen	Grandson
Sim Kee Hoon	Sister-in-law

### Provision 8.3 Share Incentive Scheme

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

### ACCOUNTABILITY AND AUDIT

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

### Provision 9.1 Risk Management and Internal Control Systems

The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board will set up a Board Risk Committee to specifically address this, if appropriate.

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. 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 processes. Additionally, the Board acknowledges that no cost effective internal control systems 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 misstatements or losses.

The Management 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 and will highlight all significant matters to the Board of Directors and the AC.

During the year, the AC 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 35 of the Financial Statements.

**Provision 9.2**  
**Assurances to the Board**

The Board has received assurance from the CEO and the Financial Controller that:

- (a) the financial records have been properly maintained and the financial statements for FY2020 give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are adequate and effective to address key financial, operational, compliance and information technology risks which the Company considers relevant and material to its current business environment.

The CEO and the Financial Controller have obtained similar assurances from the General Manager and Financial Controller (or equivalent positions) of each operating Group entity.

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

Based on the risk management system and internal controls established and maintained by the Group, the assurance from the CEO and the 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 is of the opinion that the Group's risk management systems and internal controls of the Group are adequate and effective in addressing the key financial, operational, compliance and information technology risks which are significant as at the reporting date. The AC concurs with the Board's opinion based on their reviews of findings on internal controls and risks with the internal and external auditors.

**AUDIT COMMITTEE**

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

**Provisions 10.1 and 10.2**  
**AC membership and responsibilities**

The AC comprises the following members, all of whom including the Chairman is independent:

Mr Chin Sek Peng, Michael (Chairman)	(Lead Independent Director)
Mr Lau Ping Sum, Pearce	(Independent Director)
Mr Chuang Keng Chiew	(Independent Director)

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. He 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. The AC benefits from Mr Chuang Keng Chiew’s legal experience as a practising lawyer in reviewing issues with a legal perspective. The AC is kept abreast by the Management, external and internal auditors on the changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group’s business and financial performance. The Board is satisfied that Mr Chin and Mr Lau have recent and relevant accounting or related financial management expertise or experience, facilitated by Mr Chuang’s legal expertise to discharge the AC’s functions.

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

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Group’s financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the Group’s internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the Financial controller on the financial records and financial statements and the assurance from the Managing Director and the management personnel responsible on the adequacy and effectiveness of internal controls and risk management systems;
- (d) To review the findings 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;
- (e) To review findings of any internal investigations and Management’s response;
- (f) To review the independence, effectiveness and adequacy of the result of the external audit and of the internal audit function;
- (g) To make recommendations to the Board on the appointment, re-appointment and removal of the external auditors;
- (h) 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
- (i) 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.

In addition, the AC had reported 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.

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.

<b>Key audit matter involving significant judgement and estimates</b>	<b>Matter considered</b>	<b>Conclusion by AC</b>
<p><b>Net realisable value of inventories</b></p>	<p>In the Group’s statement of financial position, gross inventories net of obsolescence provision amounted to S\$143 million at 31 March 2020 (2019: S\$163 million) and this accounted for approximately 42% of total assets of the Group at reporting date. The Group’s inventories comprised luxury timepieces, branded pens and accessories that are of different brands and ages.</p> <p>The Singapore accounting 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 reasons 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 lower of cost and NRV is consistent with the principle of asset impairment which requires assets not to be reported in the statement of financial position in excess of their carrying amount.</p> <p>As the monetary value of inventories in the Group’s statement of financial position is highly significant, assessing the amount of allowances to be made for the Group’s inventories is a key audit matter given that such inventory provision requires management to make significant judgement and estimates based on factors such as historical allowance experience, future demand and selling prices and ageing of the watches.</p> <p>Management has in prior years established a provisioning policy that is consistent and prudent based on the principle that the older the watch, the higher the provision given that the risk of a watch being sold lower than cost is higher. The auditor has reviewed the provisioning policy 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 2020, the inventory obsolescence provision amounted to approximately S\$16.3 million compared to prior year of S\$12.8 million. This is disclosed in Note 21 to the financial statements.</p>	<p>The AC is satisfied that inventories are stated at the lower of cost and net realisable value based on the following:</p> <ul style="list-style-type: none"> <li>(i) Conducted discussions with external auditor including the review of the audit procedures carried out by the external auditor;</li> <li>(ii) Evaluate any significant findings on inventories reported to the AC by external auditor;</li> <li>(iii) Made enquiries of management on any significant issues relating to inventories including adequacy on allowance for obsolete inventories; and</li> <li>(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.</li> </ul>



***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.

***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 18 and 19 of the financial statements. The Board and the AC are satisfied that the appointment of different auditors for its foreign subsidiaries and associated companies would not compromise the standard and effectiveness of the audit of the Group.

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\$50,000 or 27% of the total fees. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC had reviewed the results of the external audit with the external auditor and is satisfied with the adequacy and effectiveness of the audit. The AC recommended their re-appointment to the Board.

***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 sets 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.

**Provision 10.3  
Restriction on AC membership**

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

**Provision 10.4**  
**Internal Audit Function**

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.

The AC is satisfied that the Internal Auditor is a suitable professional service firm that has adequate resources and competent staff to meet the Company's internal audit obligations. The IA is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued 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 policies and 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.

***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 Group's system of internal controls. The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

**Provision 10.5**  
**Meeting with External and Internal Auditors without Presence of Management**

During the year, the AC met with both the external and internal auditors without the presence of the Management. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly with the AC.

**SHAREHOLDER RIGHTS AND ENGAGEMENT**

**SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

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

**Provision 11.1**  
**Shareholders' participation 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. An independent scrutineer firm was present to validate the votes at the last AGM. The results of the electronic poll voting on each resolution tabled at the last AGM, including the total number of votes cast for or against each resolution, were also announced after the said meeting via SGXNet.

**Provision 11.2**

**Separate resolutions at general meetings**

The Company will have separate resolutions at general meetings on each distinct issue. For resolutions that are special business, explanations are given in the accompanying notes to the Notice of the AGM. For resolutions on the election or re-election of directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual are given under the “Board of Directors” section of this Annual Report.

**Provision 11.3**

**Attendance of Directors and auditors 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. In 2019, the Company held one general meeting which was attended by all the Directors and the external auditors.

**Provision 11.4**

**Absentia voting**

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. A shareholder who is absent from a general meeting can exercise his vote in absence through his proxy or proxies. 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.

**Provision 11.5**

**Minutes of general meetings**

The Company prepares minutes of general meetings detailing the proceedings and questions raised by shareholders and answers given by the Board and Management. The minutes will be taken and published in the Company’s corporate website at [www.cortina.com.sg](http://www.cortina.com.sg).

**Provision 11.6**

**Dividend Policy**

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.

## ENGAGEMENT WITH SHAREHOLDERS

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

### Provision 12.1

#### Communication between the Board and 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](http://www.cortina.com.sg) where shareholders can access information on the Group.

The Company's general meetings are the principal forum for dialogue with shareholders, to gather their views or inputs, and address their concerns, if any. The Company will consider the use of other forums as and when applicable.

In accordance with the Listing Rules, the Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

### Provisions 12.2 and 12.3

#### Investor relations

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at [www.cortina.com.sg](http://www.cortina.com.sg) where it updates shareholders and investors on the latest news and business developments of the Group.

The Company has posted the contact of the Lead Independent Director on its corporate website to facilitate shareholders and other stakeholders who wish to communicate with the Lead Independent Director.

## ENGAGEMENT WITH STAKEHOLDERS

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

### Provisions 13.1 and 13.2

#### Engage with its material stakeholder groups

The Group's material stakeholders are its shareholders, customers, business partners, employees, regulator and suppliers. The Company seeks to create and maintain long standing relationship with all its stakeholders. Internal and external stakeholders' feedback, needs and concerns are actively sought through various communication channels established and set out in the Company's Sustainability Report for FY2020 published in this Annual Report.

**Provision 13.3**

**Corporate website to communicate and engage with stakeholders.**

The Group maintains a corporate website at [www.cortina.com.sg](http://www.cortina.com.sg) at which stakeholders can access information on the Group. The website provides, *inter alia*, corporate announcements, press releases and profiles of the Group. The Company has an online investor relations site within its corporate website as an outreach to shareholders and all other stakeholders.

**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.

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## STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2020.

### 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the statement of financial position of the company and the consolidated financial statements of the group are drawn up so as to give a true and fair view of the financial position of the company and of the group as at 31 March 2020 and the financial performance, changes in equity and cash flows of the group 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)
Foo See Jin	(Independent Director)
Long Foo Pieng	(Independent Director)
Chuang Keng Chiew	(Independent Director) (Appointed on 24 May 2019)

## STATEMENT BY DIRECTORS

### 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:

<b>Name of directors and company in which interests are held</b>	<b>Shareholdings registered in the name of the directors</b>	
<b>Name of directors and company in which interests are held</b>	<b>At beginning of the reporting year / At date of appointment, if later</b>	<b>At end of the reporting year</b>
<u>The company</u>		
<u>Cortina Holdings Limited</u>	<u>Number of ordinary shares of no par value</u>	
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	8,270,000	8,270,000
Chuang Keng Chiew (appointed on 24 May 2019)	5,000	7,000

<b>Name of directors and company in which interests are held</b>	<b>Shareholdings in which directors are deemed to have interest</b>	
<b>Name of directors and company in which interests are held</b>	<b>At beginning of the reporting year</b>	<b>At end of the reporting year</b>
<u>The company</u>		
<u>Cortina Holdings Limited</u>	<u>Number of ordinary shares of no par value</u>	
Lim Keen Ban	70,068,425	70,068,425
Lim Jit Ming	52,657,490	52,657,490
Yu Chuen Tek	7,428,000	7,428,000
Lim Jit Yaw	70,068,425	70,068,425

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 2020 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.



## STATEMENT BY DIRECTORS

### 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 the independent 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:

Chin Sek Peng, Michael	(Chairman of audit committee and lead independent and non-executive director)
Chuang Keng Chiew	(Independent and non-executive director)
Lau Ping Sum, Pearce	(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 risks, and the assistance given by the management to the internal auditor;
- Reviewed the consolidated financial statements of the group and the statement of financial position of the company prior to their submission to the directors of the company for adoption;
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited'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.

## STATEMENT BY DIRECTORS

### 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 1 July 2020, 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

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Lim Jit Ming  
Director

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Yu Chuen Tek  
Director

20 July 2020

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

### 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 2020, 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 Singapore Financial Reporting Standards (International) (SFRS (I)) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2020 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 2C of the financial statements for the relevant accounting policy and critical judgements, assumptions and estimation uncertainties and Note 21 on 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 and distribution of luxury timepieces and luxury accessories. The group holds inventories of \$143,335,000 (2019: \$162,764,000) 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 timepieces 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 the appropriate allowance percentages for each inventories categories.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

### **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 consideration the historical information and forward looking estimates, inventory ageing 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's management and comparing utilisation rates to subsequent sales records;
- Evaluating the accuracy of the group's inventory ageing by verifying on a sample basis that inventory items were categorised appropriately in the relevant ageing band 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 were 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 the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

### 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.

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.

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

**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.

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**RSM Chio Lim LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

20 July 2020

Engagement partner - effective from year ended 31 March 2017.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2020

	Notes	Group	
		2020 \$'000	2019 \$'000
<b>Revenue</b>	5	513,813	460,838
Interest income	6	921	206
Other income and gains	7	370	772
Changes in inventories of finished goods		(19,429)	(18,419)
Purchase of goods and consumables		(354,754)	(325,797)
Employee benefits expense	8	(34,661)	(29,224)
Rental expense	28	(3,670)	(26,537)
Depreciation expense	15,16	(5,404)	(5,487)
Depreciation of right-of-use assets	17	(23,584)	-
Other expenses	9	(17,574)	(15,295)
Other losses	7	(760)	(697)
Finance costs	10	(2,200)	(1,185)
Share of profit from equity-accounted associates	19	63	9
<b>Profit before tax from continuing operations</b>		53,131	39,184
Income tax expense	11	(11,450)	(8,420)
<b>Profit net of tax</b>		41,681	30,764
Profit attributable to owners of the parent, net of tax		39,297	28,966
Profit attributable to non-controlling interests, net of tax		2,384	1,798
<b>Profit net of tax</b>		41,681	30,764
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
<b>Basic</b>			
Continuing operations	14	23.7	17.5
<b>Diluted</b>			
Continuing operations	14	23.7	17.5
<b>Profit from continuing activities, net of tax</b>		41,681	30,764
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		2,234	(442)
<b>Total comprehensive income for the year, net of tax</b>		43,915	30,322
Total comprehensive income attributable to owners of the parent		41,499	28,574
Total comprehensive income attributable to non-controlling interests		2,416	1,748
<b>Total comprehensive income</b>		43,915	30,322

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	15	13,760	15,345	645	557
Investment property	16	4,262	4,350	4,262	4,350
Right-of-use assets	17	43,078	–	–	–
Investments in subsidiaries	18	–	–	56,792	56,492
Investments in associates	19	2,593	2,530	1,000	1,000
Deferred tax assets	11	1,245	981	–	–
Other assets, non-current	20	6,347	5,040	–	–
<b>Total non-current assets</b>		<b>71,285</b>	<b>28,246</b>	<b>62,699</b>	<b>62,399</b>
<b><u>Current assets</u></b>					
Inventories	21	143,335	162,764	–	–
Trade and other receivables, current	22	9,184	10,263	9,322	9,228
Other assets, current	23	1,406	1,727	24	67
Cash and cash equivalents	24	114,389	81,288	180	2,426
<b>Total current assets</b>		<b>268,314</b>	<b>256,042</b>	<b>9,526</b>	<b>11,721</b>
<b>Total assets</b>		<b>339,599</b>	<b>284,288</b>	<b>72,225</b>	<b>74,120</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity attributable to owners of the parent</u></b>					
Share capital	25	35,481	35,481	35,481	35,481
Other reserves	26	3,704	980	–	–
Retained earnings		192,585	162,917	27,417	31,574
<b>Equity, attributable to owners of the parent, total</b>		<b>231,770</b>	<b>199,378</b>	<b>62,898</b>	<b>67,055</b>
Non-controlling interests		9,821	8,069	–	–
<b>Total equity</b>		<b>241,591</b>	<b>207,447</b>	<b>62,898</b>	<b>67,055</b>
<b><u>Non-current liabilities</u></b>					
Provisions, non-current	27	2,330	1,887	–	–
Financial liabilities – lease liabilities	28	27,452	–	75	–
Other financial liabilities, non-current	29	–	491	–	106
Other non-financial liabilities, non-current	31	700	655	–	–
<b>Total non-current liabilities</b>		<b>30,482</b>	<b>3,033</b>	<b>75</b>	<b>106</b>
<b><u>Current liabilities</u></b>					
Income tax payable		7,482	5,701	408	315
Financial liabilities – lease liabilities	28	17,576	–	96	–
Trade and other payables, current	30	27,547	31,436	8,748	6,577
Other financial liabilities, current	29	4,961	23,492	–	67
Other non-financial liabilities, current	31	9,960	13,179	–	–
<b>Total current liabilities</b>		<b>67,526</b>	<b>73,808</b>	<b>9,252</b>	<b>6,959</b>
<b>Total liabilities</b>		<b>98,008</b>	<b>76,841</b>	<b>9,327</b>	<b>7,065</b>
<b>Total equity and liabilities</b>		<b>339,599</b>	<b>284,288</b>	<b>72,225</b>	<b>74,120</b>

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



## STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2020

	Total equity \$'000	Attributable to parent sub-total \$'000	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Non- controlling interests \$'000
<b>Group</b>						
<b>Current year:</b>						
Opening balance at 1 April 2019	207,447	199,378	35,481	980	162,917	8,069
<b>Changes in equity:</b>						
Total comprehensive income for the year	43,915	41,499	-	2,202	39,297	2,416
Transferred (from) to retained earnings (Note 26B)	-	-	-	522	(522)	-
Dividends paid (Note 13)	(9,771)	(9,107)	-	-	(9,107)	(664)
<b>Closing balance at 31 March 2020</b>	<b>241,591</b>	<b>231,770</b>	<b>35,481</b>	<b>3,704</b>	<b>192,585</b>	<b>9,821</b>
<b>Previous year:</b>						
Opening balance at 1 April 2018	185,907	178,255	35,481	1,372	141,402	7,652
<b>Changes in equity:</b>						
Total comprehensive income for the year	30,322	28,574	-	(392)	28,966	1,748
Dividends paid (Note 13)	(8,782)	(7,451)	-	-	(7,451)	(1,331)
<b>Closing balance at 31 March 2019</b>	<b>207,447</b>	<b>199,378</b>	<b>35,481</b>	<b>980</b>	<b>162,917</b>	<b>8,069</b>

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

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2020

	Total equity \$'000	Share capital \$'000	Retained earnings \$'000
<b>Company:</b>			
<b>Current year:</b>			
Opening balance at 1 April 2019	67,055	35,481	31,574
<b>Changes in equity:</b>			
Total comprehensive income for the year	4,950	-	4,950
Dividends paid (Note 13)	(9,107)	-	(9,107)
<b>Closing balance at 31 March 2020</b>	<b>62,898</b>	<b>35,481</b>	<b>27,417</b>
<b>Previous year:</b>			
Opening balance at 1 April 2018	61,046	35,481	25,565
<b>Changes in equity:</b>			
Total comprehensive income for the year	13,460	-	13,460
Dividends paid (Note 13)	(7,451)	-	(7,451)
<b>Closing balance at 31 March 2019</b>	<b>67,055</b>	<b>35,481</b>	<b>31,574</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

	2020 \$'000	2019 \$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	53,131	39,184
Adjustments for:		
Depreciation of property, plant and equipment and investment property	5,404	5,487
Depreciation of right-of-use assets	23,584	-
Impairment of investment property	-	281
Interest income	(921)	(206)
Interest expense	2,200	1,185
Share of profit from equity-accounted associates	(63)	(9)
Gains on disposal of plant and equipment	(236)	(256)
Property, plant and equipment written off	48	200
Provisions, non-current	393	66
Operating cash flows before changes in working capital	83,540	45,932
Inventories	20,912	17,649
Trade and other receivables	1,318	2,405
Other assets	(869)	1,371
Trade and other payables	(3,514)	14,018
Other non-financial liabilities	(4,228)	8,619
Net cash flows generated from operations	97,159	89,994
Income taxes paid	(10,007)	(6,827)
Net cash flows generated from operating activities	87,152	83,167
<b><u>Cash flows from investing activities</u></b>		
Disposal of property, plant and equipment	444	424
Purchase of plant and equipment (Note 24A)	(2,942)	(2,925)
Purchase of investment property	-	(4,685)
Interest received	921	206
Net cash flows used in investing activities	(1,577)	(6,980)
<b><u>Cash flows from financing activities</u></b>		
Lease liabilities - principal portion paid	(23,169)	-
Decrease in other financial liabilities	(18,778)	(20,122)
Decrease in finance leases (Note 24B)	-	(343)
Interest paid	(2,200)	(1,185)
Dividends paid	(9,107)	(7,451)
Dividend paid to a non-controlling interest of a subsidiary	(664)	(1,330)
Net cash flows used in financing activities	(53,918)	(30,431)
<b>Net increase in cash and cash equivalents</b>	<b>31,657</b>	<b>45,756</b>
Cash and cash equivalents, statement of cash flows, beginning balance	81,288	35,491
Effect of foreign exchange rate adjustments	1,444	41
<b>Cash and cash equivalents, statement of cash flows, ending balance (Note 24)</b>	<b>114,389</b>	<b>81,288</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 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 directors have the power to amend and reissue the financial statements.

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 18 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.

### **Statement of compliance with financial reporting standards**

These financial statements have prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB).

### **Accounting convention**

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

### **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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 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 (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

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 the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the 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.

### **Covid-19 pandemic and the aftermath**

The Covid-19 pandemic and the aftermath of the pandemic globally forced the group to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by governments to contain the spread of Covid-19, including travel restrictions, social distancing and suspension of non-essential services. This resulted in an economic slowdown, which has adversely impacted on the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for inventories and receivables) and the completeness or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by Management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the entity's businesses and the countries where the reporting entity operates. Management will continue to monitor the situation as part of its risk management activities.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. SIGNIFICANT ACCOUNTING POLICIES

#### **Revenue recognition**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

#### **Other income**

Rental income 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.

Dividend from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Interest income is recognised using the effective interest method.

#### **Government grants**

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 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 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 a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Translation of financial statements of other entities**

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.

#### **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 and associates 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.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **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.

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 27 on non-current provisions.

#### **Investment property**

Investment property is property, land or a building or part of building or both owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis at least once in three years by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The annual rate of depreciation is as follows:

Leasehold property	-	2%
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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Right-of-use assets**

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rates of depreciation are over terms of leases which approximately:

Retail outlets	-	10% to 50%
Office spaces	-	16.67% to 50%
Motor vehicles	-	33%

#### **Leases of lessee**

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term a right-of-use asset is recognised. For these leases, a right-of-use asset is recognised.

#### **Leases of lessor**

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

#### **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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **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. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. 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 the 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 the financial reporting standard on financial instruments 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.

#### **Business combinations**

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expired. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 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.

#### **Derivative financial instruments**

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

#### **Fair value measurement**

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

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

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

#### 2A. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### **Fair value measurement (cont'd)**

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.

In making the fair value measurement for a non-financial asset, management determines 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 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 affect the carrying amount of inventories including the ornament timepieces 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 21 on inventories.

#### Allowance for trade receivables:

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 22 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 Note 11 on income tax.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

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

#### Property, plant and equipment and investment property:

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 on property, plant and equipment and Note 16 on investment property.

#### Useful lives of property, plant and equipment and investment property:

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 and investment property at the end of the reporting year is disclosed in Note 15 and Note 16 respectively.

#### Assessment of impairment of right-of-use asset:

Significant judgement is applied by management when determining impairment of the right-of-use asset. Impairment is assessed for separable parts of leased buildings that have been or will be vacated in the near future. The impairment is sensitive to changes in estimated future expected sub-lease income and sub-lease period. Judgement is also involved when determining whether sub-lease contracts are financial or operational, as well as when determining lease term for contracts that have extension or termination options. The carrying amount of right-of-use asset at the end of the reporting year is disclosed in Note 17.

#### Gain on sale on investment property:

In prior years, the company disposed its investment property classified as assets held for sales located at 1 Coleman Street, The Adelphi, Singapore 179803 for an aggregate consideration of \$23,791,425. The disposal resulted in a gain of \$3,320,000, which was presented in other gains in the consolidated statement of profit or loss. Based on the facts available, management has made judgement that 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard 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 and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Purchase of goods	-	24	12	7

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

**3B. KEY MANAGEMENT COMPENSATION**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	13,737	10,943

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

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Remuneration of directors of the company	10,172	7,863
Remuneration of directors of the subsidiaries	1,322	1,171
Fees payable to directors of the company	597	590

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 \$209,914,000 (2019: \$206,543,000) 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

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

SFRS(1) 8 requires the disclosure of information about operating segments, products and services, the geographical areas and the major customers. It is a disclosure standard which results in a redesignation of the group's reportable segments, but it has no impact on the reported financial performance or financial position of the group.

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 evaluated regularly by the chief operating decision maker in deciding how to allocate resources and 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 timepiece, branded pens and accessories (the "Retail").

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

Others operations include provision of other support services.

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 property, plant and equipment, right-of-use assets, inventories, trade and other receivables, other assets and cash and cash equivalents. Segment liabilities comprise trade and other payables, lease liabilities, other financial liabilities, provisions 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

## 4B. PROFIT AND LOSS FROM CONTINUING OPERATIONS AND RECONCILIATIONS

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>Continuing Operations 2020:</b>					
<b>Revenue by Segment</b>					
Total revenue by segment	468,995	44,350	468	-	513,813
Inter-segment revenue	307	25,312	3,202	(28,821)	-
Total revenue	469,302	69,662	3,670	(28,821)	513,813
<b>Recurring EBITDA</b>					
Finance costs	(2,104)	(98)	(9)	11	(2,200)
Depreciation	(27,946)	(844)	(198)	-	(28,988)
ORBT	45,542	2,572	6,993	(2,039)	53,068
Share of profit from associates	-	-	63	-	63
Profit before tax from continuing activities					53,131
Income tax expense					(11,450)
<b>Profit from continuing operations</b>					<b>41,681</b>
<b>Continuing Operations 2019:</b>					
<b>Revenue by Segment</b>					
Total revenue by segment	413,505	46,858	475	-	460,838
Inter-segment revenue	316	21,403	2,487	(24,206)	-
Total revenue	413,821	68,261	2,962	(24,206)	460,838
<b>Recurring EBITDA</b>					
Finance costs	(1,162)	(26)	(16)	19	(1,185)
Depreciation	(5,262)	(125)	(100)	-	(5,487)
Impairment of investment property	-	-	(281)	-	(281)
ORBT	32,731	4,855	14,571	(12,982)	39,175
Share of profit from associates	-	-	9	-	9
Profit before tax from continuing activities					39,184
Income tax expense					(8,420)
<b>Profit from continuing operations</b>					<b>30,764</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 4C. ASSETS AND RECONCILIATIONS

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>2020:</b>					
Segment assets	303,553	28,077	5,435	(1,304)	335,761
Unallocated assets:					
Deferred tax assets					1,245
Investments in associates					2,593
<b>Total group assets</b>					<b>339,599</b>
<b>2019:</b>					
Segment assets	250,694	27,625	7,423	(4,965)	280,777
Unallocated assets:					
Deferred tax assets					981
Investments in associates					2,530
<b>Total group assets</b>					<b>284,288</b>

### 4D. LIABILITIES AND RECONCILIATIONS

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>2020:</b>					
Segment liabilities	75,938	3,203	12,025	(640)	90,526
Unallocated liabilities:					
Deferred and current tax liabilities					7,482
<b>Total group liabilities</b>					<b>98,008</b>
<b>2019:</b>					
Segment liabilities	56,971	7,726	6,766	(323)	71,140
Unallocated liabilities:					
Deferred and current tax liabilities					5,701
<b>Total group liabilities</b>					<b>76,841</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

## 4E. OTHER MATERIAL ITEMS AND RECONCILIATIONS

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
Expenditures for non-current assets:					
2020:	3,215	470	237	–	3,922
2019:	3,298	204	4,685	–	8,187

## 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Singapore	259,846	218,893	193,793	159,968
South East Asia <sup>(a)</sup>	192,811	177,076	85,359	76,859
North East Asia <sup>(b)</sup>	59,458	61,844	59,428	46,480
Others <sup>(c)</sup>	1,698	3,025	–	–
Unallocated	–	–	1,019	981
Total	513,813	460,838	339,599	284,288

(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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 5. REVENUE

Revenue from contract with customers

A. Revenue classified by type of good or service:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of goods	511,760	458,474
Other income	2,053	2,364
Total revenue	513,813	460,838

All the contracts are less than 12 months. The revenue from sale of goods is recognised based on point in time. The customers are mainly individuals and wholesalers local and overseas.

## 6. INTEREST INCOME

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income from financial institutions	921	206

## 7. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign exchange adjustments gains	134	516
Gains on disposal of property, plant and equipment	236	256
Impairment of investment property	-	(281)
Inventories written off	(712)	(216)
Plant and equipment written off	(48)	(200)
Net	(390)	75
Presented in the consolidated statement of profit or loss as:		
Other income and gains	370	772
Other losses	(760)	(697)
Net	(390)	75



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 8. EMPLOYEE BENEFITS EXPENSE

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Short term employee benefits expense	32,701	27,474
Contributions to defined contribution plans	1,960	1,750
<b>Total employee benefits expense</b>	<b>34,661</b>	<b>29,224</b>

## 9. OTHER EXPENSES

The major components and other selected components include the following:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Advertising and promotion	5,271	4,638
Credit cards commission	7,211	5,892

## 10. FINANCE COSTS

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on bank borrowings	536	1,157
Interest on lease liabilities	1,664	28
<b>Total</b>	<b>2,200</b>	<b>1,185</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 11. INCOME TAX

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

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current tax expense:</u></b>		
Current tax expense	11,866	8,258
(Over) / under adjustments in respect of prior years	(152)	178
Subtotal	11,714	8,436
<b><u>Deferred tax expense (income):</u></b>		
Deferred tax income	(266)	(56)
Under adjustments in respect of prior years	2	40
Subtotal	(264)	(16)
Total income tax expense	11,450	8,420

The amount of income tax payable of the group as at end of the reporting year was \$7,482,000 (2019: \$5,701,000). 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% (2019: 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.

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before tax	53,131	39,184
Add: Share of profit from equity-accounted associates	(63)	(9)
	53,068	39,175
Income tax expense at the above rate	9,021	6,659
Expenses not deductible for tax purposes	448	528
Withholding tax	783	351
Stepped income exemption	(88)	(134)
(Over) / under adjustments in respect of prior years	(150)	218
Effect of different tax rates in different countries	998	820
Other minor items less than 3% each	(26)	(113)
Unrecognised deferred tax assets	464	91
Total income tax expense	11,450	8,420

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 11. INCOME TAX (CONT'D)

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

	Group	
	2020	2019
	\$'000	\$'000
Excess of book over tax depreciation on plant and equipment	(277)	(44)
Excess of tax over book depreciation on plant and equipment	(6)	8
Provisions	(378)	(100)
Tax losses carryforwards	(67)	29
Unrecognised deferred tax assets	464	91
Total deferred tax income recognised in statement of profit or loss	<u>(264)</u>	<u>(16)</u>

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

	Group	
	2020	2019
	\$'000	\$'000
<u>Deferred tax assets / (liabilities) recognised in statement of financial position:</u>		
Excess of net book value of plant and equipment over tax values	(20)	(297)
Excess of tax values over net book value of plant and equipment	85	79
Provisions	2,020	1,642
Tax loss carryforwards	672	605
Unrecognised deferred tax assets	(1,512)	(1,048)
Total	<u>1,245</u>	<u>981</u>
Presented in the statements of financial position as follows:		
Deferred tax assets	1,245	981
Deferred tax liabilities	-	-
Net position	<u>1,245</u>	<u>981</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 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 \$3,953,000 (2019: \$3,561,000), 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	
	2020 \$'000	2019 \$'000
<hr/>		
<u>Year of expiry</u>		
2019	-	185
2020	-	484
2021	487	-
2022	-	155
2023	156	-
2029	74	-
2030	668	-
Indefinitely	2,568	2,737
Total unused gross tax losses	3,953	3,561

## 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	
	2020 \$'000	2019 \$'000
<hr/>		
<u>Audit fees</u>		
Independent auditor of the company	185	183
Other independent auditors	64	64
<hr/>		
<u>Other fees</u>		
Independent auditor of the company	50	32
Other independent auditors	30	18
<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 13. DIVIDENDS ON EQUITY SHARES

	Rate per share—cents		Group and Company	
	2020	2019	2020 \$'000	2019 \$'000
Final tax exempt (1-tier) dividend paid	2.0	2.0	3,312	3,312
Special tax exempt (1-tier) dividend paid	3.5	2.5	5,795	4,139
Total dividends paid in the year	5.5	4.5	9,107	7,451

In respect of the current reporting year, the directors on 1 July 2020 declared an interim tax exempt (1-tier) dividend of 4.0 cents per share of \$6,623,000 be paid to shareholders on 24 July 2020. Further, the directors propose that a final tax exempt (1-tier) dividend of 2.0 cents per share and a special tax exempt (1-tier) dividend of 0.5 cents per share with a total of \$4,139,000 be paid to shareholders after the annual general meeting to be held on the 3 September 2020. 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	
	2020	2019
Numerators: Earnings attributable to equity:		
Continuing operations: Attributable to equity holders (\$'000)	39,297	28,966
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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 15. PROPERTY, PLANT AND EQUIPMENT

	Freehold/ leasehold properties \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Assets in progress \$'000	Total \$'000
<b>Group</b>					
<u>Cost:</u>					
At 1 April 2018	2,218	21,869	15,339	406	39,832
Additions	-	628	2,801	73	3,502
Disposals	-	(825)	(2,388)	-	(3,213)
Reclassification	-	406	-	(406)	-
Foreign exchange adjustments	(41)	(68)	(18)	-	(127)
At 31 March 2019	2,177	22,010	15,734	73	39,994
Additions	-	1,661	2,044	270	3,975
Disposals	-	(3,191)	(1,250)	-	(4,441)
Reclassification	-	126	-	(126)	-
Foreign exchange adjustments	(7)	277	40	-	310
At 31 March 2020	2,170	20,883	16,568	217	39,838
<u>Accumulated depreciation:</u>					
At 1 April 2018	625	12,773	8,718	-	22,116
Depreciation for the year	45	3,385	2,003	-	5,433
Disposals	-	(747)	(2,098)	-	(2,845)
Foreign exchange adjustments	(13)	(32)	(10)	-	(55)
At 31 March 2019	657	15,379	8,613	-	24,649
Depreciation for the year	43	3,039	2,234	-	5,316
Disposals	-	(3,109)	(1,076)	-	(4,185)
Foreign exchange adjustments	(2)	268	32	-	298
At 31 March 2020	698	15,577	9,803	-	26,078
<u>Carrying value:</u>					
At 1 April 2018	1,593	9,096	6,621	406	17,716
At 31 March 2019	1,520	6,631	7,121	73	15,345
At 31 March 2020	1,472	5,306	6,765	217	13,760

Fully depreciated plant and equipment still in use had an initial cost of \$13,712,000 (2019 : \$10,647,000).

Certain items are under lease agreements (see Note 28).

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
<b>Company</b>			
<u>Cost:</u>			
At 1 April 2018	284	129	413
Additions	–	404	404
At 31 March 2019	284	533	817
Additions	–	198	198
At 31 March 2020	284	731	1,015
<u>Accumulated depreciation:</u>			
At 1 April 2018	85	129	214
Depreciation for the year	6	40	46
At 31 March 2019	91	169	260
Depreciation for the year	6	104	110
At 31 March 2020	97	273	370
<u>Carrying value:</u>			
At 1 April 2018	199	–	199
At 31 March 2019	193	364	557
At 31 March 2020	187	458	645

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 16. INVESTMENT PROPERTY

	<b>Leasehold property \$'000</b>
<hr/>	
<b>Group &amp; Company</b>	
<u>At cost:</u>	
At 1 April 2018	-
Addition	4,685
At 31 March 2019 and 31 March 2020	4,685
 <u>Accumulated depreciation:</u>	
At 1 April 2018	-
Depreciation for the year	54
Impairment for the year <sup>(a)</sup>	281
At 31 March 2019	335
Depreciation for the year	88
At 31 March 2020	423
 <u>Carrying value:</u>	
At 1 April 2018	-
At 31 March 2019	4,350
At 31 March 2020	4,262
 Fair value for disclosure purposes only:	
Fair value at end of the year <sup>(a)</sup>	4,350
Rental income from investment property	-
Direct operating expenses (including repairs and maintenance) arising from investment property	5

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

- (a) Impairment for prior year is a result of change in fair value of the investment property, which renders the recoverable amount lower than its carrying amount. As a result, an impairment loss of \$281,000 was recognised to profit and loss as other losses in 2019 (See Note 7).

The fair value of the investment property was measured in May 2019 based on direct comparison with recent market transactions of comparable properties within the vicinity and elsewhere to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on valuation made by Edmund Tie & Company (SEA) Pte Ltd, a firm of independent professional valuers.



## NOTES TO THE FINANCIAL STATEMENTS

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## 16. INVESTMENT PROPERTY (CONT'D)

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	43C Beach Road, Evershine & Century Complex Singapore 189681
Fair Value and Fair value hierarchy – Level:	\$4,350,000 (FY2019: \$4,350,000). Level 3 (FY2019: Level 3)
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties.
Significant observable inputs and range (weighted average):	Price per square meter: \$18,510 (2019:\$18,510)
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by \$435,000; higher by \$435,000.

## 17. RIGHT-OF-USE ASSETS

The right-of-use assets in the statement of financial position are as follows:

	Retail outlets \$'000	Office space \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>				
<u>Cost:</u>				
At 1 April 2019 on adoption of SFRS(I) 16	53,698	8,091	128	61,917
Additions	3,468	85	318	3,871
Foreign exchange adjustments	860	116	32	1,008
At 31 March 2020	58,026	8,292	478	66,796
<u>Accumulated depreciation:</u>				
At 1 April 2019	–	–	–	–
Depreciation for the year	22,051	1,426	107	23,584
Foreign exchange adjustments	113	16	5	134
At 31 March 2020	22,164	1,442	112	23,718
<u>Carrying value:</u>				
At 1 April 2019	53,698	8,091	128	61,917
At 31 March 2020	35,862	6,850	366	43,078

# NOTES TO THE FINANCIAL STATEMENTS

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## 17. RIGHT-OF-USE ASSETS (CONT'D)

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	<b>Retail outlets</b>	<b>Office space</b>	<b>Motor vehicles</b>	<b>Total</b>
<b>Group</b>				
Number of right-of-use assets	23	10	3	36
Remaining term - range	0.08 years to 5.83 years	0.25 years to 5.3 years	2 years to 2.17 years	-
Remaining term - average	1.78 years	2.73 years	2.06 years	-
Number of leases with extension options	9	3	-	-

The leases are for retail outlets, office space and motor vehicles.

There are restrictions or covenants imposed by the leases to sublet the retail outlets and office space to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

Management has elected to measure right-of-use assets at the amount of the lease liability on adoption (adjusted for any lease prepayments or accrued lease expenses, onerous lease provisions and leased assets which have subsequently been sub-leased).

## NOTES TO THE FINANCIAL STATEMENTS

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## 18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 \$'000	2019 \$'000
Unquoted equity shares:		
Balance at beginning of the year	56,492	56,065
Addition <sup>(a)</sup>	300	–
Reversal of allowance for impairment <sup>(b)</sup>	–	427
Balance at the end of the year	<u>56,792</u>	<u>56,492</u>
Total cost comprising:		
Unquoted equity shares at cost	60,928	60,628
Allowance for impairment	(4,136)	(4,136)
Balance at the end of the year	<u>56,792</u>	<u>56,492</u>
Net book value of subsidiaries	<u>235,712</u>	<u>198,109</u>
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	4,136	4,563
Impairment loss reversed to profit or loss <sup>(b)</sup>	–	(427)
Balance at end of the year	<u>4,136</u>	<u>4,136</u>

(a) The addition is the result of a subsidiary, Cortina Watch TW Pte Ltd (formerly known as Cortina Watch International Pte Ltd) allotting additional ordinary shares to the company during the reporting year. There is no change of effective shareholding interest and the subsidiary remains a wholly owned subsidiary of the company.

(b) In 2019, the increasing performance of subsidiary Cortina Watch Co. Ltd was considered sufficient to reverse the impairment loss.

# NOTES TO THE FINANCIAL STATEMENTS

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## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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		Effective percentage of equity held by company	
	2020	2019	2020	2019
	\$'000	\$'000	%	%
Chronoswiss Asia Pte Ltd <sup>(a)</sup> Singapore Import and export of Chronoswiss watches	90	90	90	90
Cortina Watch HK Limited <sup>(b)</sup> Hong Kong Retail, import and export of watches (RSM Hong Kong)	2,529	2,529	100	100
Cortina Watch Pte Ltd <sup>(a)</sup> Singapore Retail, import and export of timepiece, branded pens and luxury accessories	6,871	6,871	100	100
Cortina Watch (Indochina) Pte Ltd <sup>(a)</sup> Singapore Dormant	519	519	100	100
Cortina Watch TW Pte Ltd (formerly known as Cortina Watch International Pte Ltd) <sup>(a)</sup> Singapore Dormant	300	<sup>(e)</sup>	100	100
Cortina Watch Sdn Bhd <sup>(b)</sup> Malaysia Retail, import and export of watches, pens and clocks (RSM Malaysia)	33,320	33,320	90	90

## NOTES TO THE FINANCIAL STATEMENTS

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## 18. 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	
	2020	2019	2020	2019
	\$'000	\$'000	%	%
Pactime HK Limited <sup>(d)</sup> Hong Kong Dormant	2,613	2,613	100	100
Pacific Time Pte Ltd <sup>(a)</sup> Singapore Import and export of watches	106	106	100	100
Cortina Watch (Thailand) Co. Ltd <sup>(b)</sup> Thailand Retail, import and export of watches (RSM Audit Services (Thailand) Limited)	4,531	4,531	70	70
Cortina Watch Co., Ltd <sup>(c)</sup> Taiwan Retail, import and export of watches (Nexia Sun Rise CPAs & Co.)	8,757	8,757	100	100
Pacific Time Co., Ltd <sup>(c)</sup> Taiwan Distribution of watches (Nexia Sun Rise CPAs & Co.)	1,292	1,292	100	100
	60,928	60,628		
<u>Held through Cortina Watch (Indochina) Pte Ltd</u> Cortina Watch (Yangon) Ltd <sup>(d)</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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.

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.

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Name of the subsidiary: Cortina Watch Sdn Bhd, Malaysia</u>		
1. The profit allocated to NCI of the subsidiary during the reporting year	652	590
2. Accumulated NCI of the subsidiary at the end of the reporting year	4,730	4,092
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	48,639	49,822
Non-current assets	11,443	4,541
Current liabilities	8,057	13,021
Revenues	98,523	97,143
Profit for the reporting year	6,518	5,905
Total comprehensive income	6,518	5,905
Operating cash flows, increase	15,837	9,386
Net cash flows, increase / (decrease)	5,335	(3,669)
 <u>Name of the subsidiary: Cortina Watch (Thailand) Co. Ltd, Thailand</u>		
1. The profit allocated to NCI of the subsidiary during the reporting year	1,857	1,232
2. Accumulated NCI of the subsidiary at the end of the reporting year	5,002	3,763
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	24,472	24,331
Non-current assets	4,183	2,529
Current liabilities	9,982	13,830
Revenues	63,363	56,705
Profit for the reporting year	6,191	4,108
Total comprehensive income	6,191	4,108
Operating cash flows, increase	13,078	11,616
Net cash flows, increase	2,081	2,981

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 19. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Movements in carrying value:				
At beginning of the year	2,530	2,521	1,000	1,000
Share of profit for the year	63	9	-	-
At end of the year	2,593	2,530	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	1,593	1,530	-	-
	2,593	2,530	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	
	2020 %	2019 %
Montre Royale Distributors (Singapore) Pte Ltd <sup>(a)</sup> Singapore Dealers in watches	50	50
<u>Held through Montre Royale Distributors (Singapore) Pte Ltd</u> Societe Anonyme De La Montre Royale <sup>(b)</sup> Switzerland Commission agents and general trading (GF Audit 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. The name is indicated above.

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. INVESTMENTS IN ASSOCIATES (CONT'D)

These associates are not considered 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.

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
<u>Aggregate for all non-material associates:</u>		
Assets	5,131	5,130
Liabilities	37	51
Revenue	-	24
Profit for the year	126	14
	<hr/>	

## 20. OTHER ASSETS, NON-CURRENT

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
Deposits to secure services	6,347	5,040
	<hr/>	



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 21. INVENTORIES

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Finished goods		
- at cost	112,130	125,909
- at net realisable value	31,205	36,855
Total finished goods at lower of cost and net realisable value	<u>143,335</u>	<u>162,764</u>
Inventories are stated after allowance.		
Movements in allowance:		
Balance at beginning of the year	12,842	12,544
Charged to profit or loss included in cost of sales	3,418	298
Balance at end of the year	<u>16,260</u>	<u>12,842</u>
The write-downs of inventories charged to profit or loss included in other losses (Note 7)	712	216
Changes in inventories of finished goods decrease	<u>19,429</u>	<u>18,419</u>

The inventory turnover was 140 days (2019: 173 days).

## 22. TRADE AND OTHER RECEIVABLES, CURRENT

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Trade receivables:</u>				
Outside parties	2,998	4,609	-	-
Subtotal	<u>2,998</u>	<u>4,609</u>	<u>-</u>	<u>-</u>
<u>Other receivables:</u>				
Subsidiaries (Note 3)	-	-	9,334	9,240
Other receivables	6,186	5,654	6	6
Less allowance for impairment on subsidiary	-	-	(18)	(18)
Subtotal	<u>6,186</u>	<u>5,654</u>	<u>9,322</u>	<u>9,228</u>
Total trade and other receivables	<u>9,184</u>	<u>10,263</u>	<u>9,322</u>	<u>9,228</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 22. TRADE AND OTHER RECEIVABLES, CURRENT (CONT'D)

Trade and other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Trade receivables comprises mainly creditworthy debtors with good payment record, NETS and credit card payments that will be settled in a few days and are considered to have low credit risk and customers which can be graded as low risk individually. Other receivables are normally with no fixed terms and therefore there is no maturity. Other receivables from the subsidiaries are regarded as of low credit risk if they are guaranteed by the parent or a related company with the ability to settle the amount. Other receivables at amortised cost and which can be graded as low risk individually are also considered to have low credit risk. No loss allowance is necessary except for the \$18,000 allowance for impairment on subsidiary at company level.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

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 60 days (2019: 30 to 60 days). But some customers take a longer period to settle the amounts.

Concentration of the group's trade receivable as at the end of the reporting year:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Top 1 debtor	2,319	1,976
Top 2 debtors	2,654	2,071
Top 3 debtors	2,717	2,151
	2,717	2,151

## 23. OTHER ASSETS, CURRENT

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deposits to secure services	36	36	-	-
Prepayments	1,370	1,691	24	67
	1,406	1,727	24	67

## NOTES TO THE FINANCIAL STATEMENTS

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## 24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not restricted in use	114,389	81,288	180	2,426

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

## 24A. NON-CASH TRANSACTIONS:

Included in additions to plant and equipment, there were:

- (a) Amount of \$806,000 (2019: \$471,000) acquired by means of finance leases.
- (b) Amount of \$174,000 (2019: \$106,000) being provision for dismantling and removing capitalised (Note 27).

## 24B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	2019 \$'000	Cash flows \$'000	Non-cash changes \$'000		2020 \$'000
<b>Group</b>					
Short-term borrowings	23,263	(18,778)	476	(a)	4,961
Leases liabilities	720	(23,169)	67,477	(b)	45,028
Total liabilities from financing activities	23,983	(41,947)	67,953		49,989

- (a) Foreign exchange movements
- (b) Acquisition of plant and equipment, capitalisation of its existing lease arrangements (except for lease less than 12 months and lease of low value assets) as right-of-use assets and lease liabilities as at 1 April 2019 in accordance with SFRS (I) 16 and foreign exchange movements

	2018 \$'000	Cash flows \$'000	Non-cash changes \$'000		2019 \$'000
<b>Group</b>					
Long-term borrowings	3,750	(3,750)	-		-
Short-term borrowings	39,777	(16,372)	(142)	(a)	23,263
Finance lease liabilities	592	(343)	471	(b)	720
Total liabilities from financing activities	44,119	(20,465)	329		23,983

- (a) Foreign exchange movements
- (b) Acquisition of plant and equipment

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. SHARE CAPITAL

	Group and Company	
	Number of shares issued	Share capital \$'000
<u>Ordinary shares of no par value:</u>		
Balance at 1 April 2018, 31 March 2019 and 31 March 2020	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.

### **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. This ratio is not meaningful as the total cash and cash equivalent as at 31 March 2020 and 31 March 2019 is larger than the borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

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## 26. OTHER RESERVES

	Group	
	2020	2019
	\$'000	\$'000
Foreign currency translation reserve (Note 26A)	(3,182)	(980)
Statutory reserve (Note 26B)	(522)	-
Total at the end of the year	<u>(3,704)</u>	<u>(980)</u>

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

## 26A. FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2020	2019
	\$'000	\$'000
At beginning of the year	(980)	(1,372)
Exchange differences on translating foreign operations	(2,202)	392
At end of the year	<u>(3,182)</u>	<u>(980)</u>

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.

## 26B. STATUTORY RESERVE

	Group	
	2020	2019
	\$'000	\$'000
At beginning of the year	-	-
Transferred from profit or loss	(522)	-
At end of the year	<u>(522)</u>	<u>-</u>

This relates to legal reserve set aside for the subsidiaries in Taiwan and Thailand.

In accordance with the relevant laws and regulations in Taiwan, the subsidiary in Taiwan is required to set aside 10% of its distributable earnings as its legal reserve and it should not be used to distribute dividends.

In accordance with the relevant laws and regulations in Thailand, the subsidiary in Thailand is required to set aside as a statutory reserve upon declaration of dividend at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The reserve is non-distributable.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 27. PROVISIONS, NON-CURRENT

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Provision for dismantling and removing (Note 27A)	1,758	1,674
Provision for employee benefit costs (Note 27B)	572	213
Total at the end of the year	2,330	1,887

### 27A. PROVISION FOR DISMANTLING AND REMOVING

Provision for dismantling and removing the item and restoring the site relating to property, plant and equipment:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Movements in above provision:		
At beginning of the year	1,674	1,647
Additions	174	106
Used	(107)	(72)
Foreign exchange adjustments	17	(7)
At end of the year	1,758	1,674

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.

## NOTES TO THE FINANCIAL STATEMENTS

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## 27. PROVISIONS, NON-CURRENT (CONT'D)

**27B. 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.

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
At beginning of the year	213	145
Periodic benefit costs	393	66
Paid during the year	(30)	-
Foreign exchange adjustments	(4)	2
At end of the year	<u>572</u>	<u>213</u>

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

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Discount rate (%)	ThaiBMA 2020	ThaiBMA 2019
Salary increase rate (%)	7.26%	3.54%
Employee turnover (%)	4.41%	2.89%
Mortality	100% of Thai mortality rate (TMO2017)	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 2020 in accordance with the terms outlined in the Labour Protection Act (No. 7), BE 2562 is announced in the Royal Gazette on 5 April 2019 to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, received severance payment of 400 days of wages in the most recent wage.

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. FINANCIAL LIABILITIES – LEASE LIABILITIES

Lease liabilities are presented in the statement of financial position as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Lease liabilities, current	17,576	–	96	–
Lease liabilities, non-current	27,452	–	75	–
	45,028	–	171	–

Movements of lease liabilities for the reporting year are as follows:

	Group	Company
	2020 \$'000	2020 \$'000
Total lease liabilities recognised at 1 April 2019 on adoption of SFRS(1) 16	62,637	173
Additions	4,677	80
Accretion of interest	1,664	8
Lease payments	(24,833)	(90)
Foreign exchange adjustments	883	–
Total lease liabilities at end of reporting year	45,028	171

The new standard on leases has been applied using the modified retrospective transition approach. Therefore no comparative amounts for the year ended 31 March 2019 are presented.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The right-of-use assets are disclosed in Note 17.

Only variable lease payments that depend on an index or a rate; payments that vary to reflect changes in market rental rates are included in the measurement of the lease liability. Such variable amounts that are unpaid at the commencement date are included in the measurement of lease liability. Variable lease payments would also include extension options and termination options; residual value guarantees; and leases not yet commenced to which the lessee is committed. The variable lease payments based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.



## NOTES TO THE FINANCIAL STATEMENTS

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## 28. FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

On transition to the new standard on leases the incremental borrowing rate applied to lease liabilities recognised was 2.70% to 6.34% per year. The finance lease, the right-of-use asset and lease liability before the date of initial application are measured at the same amounts as under the new standard.

Reconciliation of lease commitments and lease liability at the date of initial application:

	<b>Group</b>	<b>Company</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating lease commitments as at 31 March 2019	64,953	–
Others	530	–
Subtotal - Operating lease liabilities before discounting	65,483	–
Discounted using incremental borrowing rate	(3,566)	–
Operating lease liabilities, net	61,917	–
Finance lease obligation as at 31 March 2019 (Note 29E)	720	173
Total lease liabilities recognised as at 1 April 2019	62,637	173

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	<b>Minimum</b>	<b>Finance</b>	<b>Present</b>
	<b>payments</b>	<b>charges</b>	<b>value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>			
<u>2020</u>			
Minimum lease payments payable:			
Not later than one year	18,643	(1,067)	17,576
Between 1 and 4 years	27,199	(1,268)	25,931
More than 5 years	1,532	(11)	1,521
Total	47,374	(2,346)	45,028

	<b>Group</b>
	<b>2020</b>
	<b>\$'000</b>
Net book value of plant and equipment under finance leases	2,260
Net book value of rights-of-use assets under lease liabilities	43,078

Certain obligations under leases of \$1,128,000 (2019: \$720,000) are secured by a legal charge over the leased assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 28. FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
<b>Company</b>			
<u>2020</u>			
Minimum lease payments payable:			
Not later than one year	102	(6)	96
Between 1 and 4 years	77	(2)	75
Total	179	(8)	171

	<b>Company 2020 \$'000</b>
Net book value of plant and equipment under finance leases	458

Certain obligations under leases of \$171,000 (2019: \$173,000) are secured by a legal charge over the leased assets.

Total cash outflows for leases of the group for the year ended 31 March 2020 are shown in the consolidated statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

At reporting year total commitments on leases that had not yet commenced were as follows:

	<b>Group 2020 \$'000</b>
Asset	
Retail outlets	16,920

The future cash outflows commitments to which the lessee is potentially exposed are not reflected in the measurement of lease liabilities above. This includes exposure arising from: (1) variable lease payments; (2) extension options and termination options; (3) residual value guarantees; and (4) leases not yet commenced to which the lessee is committed.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 28. FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	<b>Group</b>
	<b>2020</b>
	<b>\$'000</b>
Expense relating to short-term leases and leases of low-value assets included in rental expenses	380
Expense relating to variable lease payments not included in lease liabilities included in rental expenses	3,290

## 29. OTHER FINANCIAL LIABILITIES

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Non-Current:</u>				
<u>Financial instruments with fixed interest rates:</u>				
Finance lease liabilities (Note 29E)	–	491	–	106
Non-current, total	–	491	–	106
<u>Current:</u>				
<u>Financial instruments with floating interest rates:</u>				
Bank loan A (Note 29A)	1,096	9,006	–	–
Bank loan B (Note 29B)	1,645	4,982	–	–
Bank loan C (Note 29C)	–	3,750	–	–
Bills payable (Note 29D)	2,220	5,525	–	–
<u>Financial instruments with fixed interest rates:</u>				
Finance lease liabilities (Note 29E)	–	229	–	67
Current, total	4,961	23,492	–	67
Total	4,961	23,983	–	173

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 29. OTHER FINANCIAL LIABILITIES (CONT'D)

The non-current portion is repayable as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Due within 2 to 5 years	-	491	-	106
Total non-current portion	-	491	-	106

The ranges of floating interest rate paid were as follows:

	Group	
	2020	2019
Bank loans	2.23% to 3.58%	2.20% to 4.15%
Bills payable	3.86% to 4.67%	3.75% to 4.66%

### 29A. 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 covered by a 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.

### 29B. 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 covered by a 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.

### 29C. BANK LOAN C

The bank loan is repayable in equal quarterly instalments of \$1,250,000 over 3 years commencing from October 2016. The loan is covered by a corporate guarantee from the company. The bank loan was fully repaid during the reporting year.

### 29D. BILLS PAYABLE TO BANKS

The bills payable to banks are covered by a corporate guarantee from the company.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 29. OTHER FINANCIAL LIABILITIES (CONT'D)

## 29E. FINANCE LEASES

	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
<b>Group</b>			
<u>2019:</u>			
Minimum lease payments payable:			
Due within one year	258	(29)	229
Due within 2 to 5 years	522	(31)	491
Total	<u>780</u>	<u>(60)</u>	<u>720</u>
Carrying value of plant and equipment under finance leases			<u>1,544</u>
<b>Company</b>			
<u>2019:</u>			
Minimum lease payments payable:			
Due within one year	73	(6)	67
Due within 2 to 5 years	110	(4)	106
Total	<u>183</u>	<u>(10)</u>	<u>173</u>
Carrying value of plant and equipment under finance leases			<u>364</u>

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:

	Group 2019	Company 2019
Average lease term, in years	5	3
Average effective borrowing rate per year	<u>4.33% to 5.50%</u>	<u>5.03%</u>

The fair value (Level 2) is a reasonable approximation of the carrying amount.

Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 28.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 30. TRADE AND OTHER PAYABLES, CURRENT

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<hr/>				
<u>Trade payables:</u>				
Outside parties and accrued liabilities	27,547	31,436	8,748	6,577
Total trade and other payables	27,547	31,436	8,748	6,577

## 31. OTHER NON-FINANCIAL LIABILITIES

	Group	
	2020 \$'000	2019 \$'000
<hr/>		
Advanced deposits from customers - current	9,960	13,179
Advanced deposits from customers - non-current	700	655

## 32. 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 \$'000
<hr/>				
<u>2020:</u>				
Forward currency contracts	3,987	THB	April 2020	(80)
 <u>2019:</u>				
Forward currency contracts	2,174	THB	April 2019	(11)

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 2020, and 31 March 2019 are not recorded in the financial statements as they are not material.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 33. CONTINGENT LIABILITIES

	<b>Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Corporate guarantee given to bank in favour of subsidiaries (Note 3)	209,914	206,543
Unsecured bank guarantee issued in favour of third parties	3,495	4,196
Undertaking to support subsidiaries with deficits	126	150

## 34. 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:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Commitments for renovation of outlets	316	102

## 35. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

## 35A. 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:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Financial assets:</u>				
Financial assets at amortised cost	123,573	91,551	9,502	11,654
At end of the year	123,573	91,551	9,502	11,654
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	77,536	55,419	8,919	6,750
At end of the year	77,536	55,419	8,919	6,750

Further quantitative disclosures are included throughout these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 35B. 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.

### 35C. 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.

### 35D. CREDIT RISK ON FINANCIAL ASSETS

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

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



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

## 35E. 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
<b>Group</b>				
<u>Non-derivative financial liabilities:</u>				
<u>2020:</u>				
Gross borrowings commitments	5,019	–	–	5,019
Gross lease liabilities	18,643	27,199	1,532	47,374
Trade and other payables	27,547	–	–	27,547
At end of the year	51,209	27,199	1,532	79,940
<u>2019:</u>				
Gross borrowings commitments	23,605	–	–	23,605
Gross finance lease obligations	258	522	–	780
Trade and other payables	31,436	–	–	31,436
At end of the year	55,299	522	–	55,821
<b>Company</b>				
<u>Non-derivative financial liabilities:</u>				
<u>2020:</u>				
Gross lease liabilities	102	77	–	179
Trade and other payables	8,748	–	–	8,748
At end of the year	8,850	77	–	8,927
<u>2019:</u>				
Gross finance lease obligations	73	110	–	183
Trade and other payables	6,577	–	–	6,577
At end of the year	6,650	110	–	6,760

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 35E. LIQUIDITY RISK – FINANCIAL LIABILITIES MATURITY ANALYSIS (CONT'D)

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

	<b>Less than 1 year \$'000</b>	<b>Total \$'000</b>
<hr/>		
<u>Derivative financial liabilities:</u>		
<u>2020:</u>		
Forward currency contracts	3,987	3,987
At end of the year	3,987	3,987
<hr/>		
<u>2019:</u>		
Forward currency contracts	2,174	2,174
At end of the year	2,174	2,174

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 33).

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 (2019: 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.

	<b>Group</b>	
	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<hr/>		
<u>Bank Facilities:</u>		
Undrawn borrowing facilities	174,646	157,736

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

**35F. 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<u>Financial liabilities:</u>				
Fixed rate	45,028	720	171	173
Floating rate	4,961	23,263	-	-
At end of the year	49,989	23,983	171	173

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.

Sensitivity Analysis:

	Group	
	2020 \$'000	2019 \$'000
<u>Financial liabilities:</u>		
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	25	116

The analysis has been performed for floating interest rate over a year for financial instruments. 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

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

### 35G. FOREIGN CURRENCY RISKS

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

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
<b>Group</b>					
<u>2020:</u>					
<u>Financial assets:</u>					
Cash	1,521	293	14	10	1,838
Loans and receivables	6	-	-	-	6
Total financial assets	1,527	293	14	10	1,844
<u>Financial liabilities:</u>					
Trade and other payables	3,369	1,245	-	169	4,783
Total financial liabilities	3,369	1,245	-	169	4,783
Net financial (liabilities) / assets at end of the year	(1,842)	(952)	14	(159)	(2,939)
<u>2019:</u>					
<u>Financial assets:</u>					
Cash	110	682	60	9	861
Loans and receivables	-	-	5	-	5
Total financial assets	110	682	65	9	866
<u>Financial liabilities:</u>					
Trade and other payables	3,119	494	-	102	3,715
Total financial liabilities	3,119	494	-	102	3,715
Net financial (liabilities) / assets at end of the year	(3,009)	188	65	(93)	(2,849)

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 36. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements except for SFRS (I) 16.

<b>SFRS(I) No.</b>	<b>Title</b>
SFRS(I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS(I) 1-28	Amendments: Long-Term Interests In Associates And Joint Ventures
SFRS(I) INT 23	Uncertainty over Income Tax Treatments
SFRS(I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS(I) 1-23	Improvements (2017) – Amendments: Borrowing Costs
SFRS(I) 3	Improvements (2017) – Amendments: Business Combinations

## Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee almost all leases are 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. Thus, the entity has recognised 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) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year 2020 by the application of the new standard on leases are disclosed in the relevant notes to the financial statements. The reporting entity elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach the comparative information is not restated and therefore there is no presentation of a third column for the statement of financial position.

## 37. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

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

<b>SFRS(I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS(I) 3	Definition of a Business – Amendments	1 Jan 2020
SFRS(I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 Jan 2020
SFRS (I) 16	Amendment to SFRS (I) 16: COVID-19 Related Rent Concessions	1 June 2020

# SHAREHOLDING STATISTICS

AS AT 14 JULY 2020

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	2	0.44	148	0.00
100 - 1,000	77	16.78	60,700	0.04
1,001 - 10,000	280	61.00	1,242,652	0.75
10,001 - 1,000,000	87	18.95	5,627,700	3.40
1,000,001 and above	13	2.83	158,647,215	95.81
<b>Total</b>	<b>459</b>	<b>100.00</b>	<b>165,578,415</b>	<b>100.00</b>

No.	Name	No. of Shares	%
1	LIM KEEN BAN HOLDINGS PTE LTD	52,657,490	31.80
2	HENRY TAY YUN CHWAN	21,038,700	12.71
3	MING YAW PTE LTD	17,412,935	10.52
4	RAFFLES NOMINEES(PTE) LIMITED	12,109,000	7.31
5	YU CHUEN TEK	8,835,015	5.34
6	LONG FOO PIENG	8,270,000	4.99
7	RENNICK PTE LTD	7,310,000	4.41
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	3,923,400	2.37
12	DBS NOMINEES PTE LTD	3,452,700	2.09
13	LONG AH HIAN	2,770,635	1.67
14	HOW SOW CHUEN	791,000	0.48
15	HUI YI WAN	600,000	0.36
16	JEREMY TAN JUN DA	486,000	0.29
17	CHEAH YOK KIAN	350,000	0.21
18	TAN SOO YONG	250,000	0.15
19	LOH YONG HUAT	200,000	0.12
20	SEOW KHOW HO CATHERINE @SEOW KHOW HOE	161,900	0.10
	<b>Total</b>	<b>161,486,115</b>	<b>97.53</b>

## SHAREHOLDING STATISTICS

AS AT 14 JULY 2020

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 14 July 2020, approximately 17.36% 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

Size of Shareholdings	Direct Interests		Deemed interests	
	No. of Shareholders	%	No. of Shares	%
Lim Keen Ban Holdings Pte Ltd	52,657,490	31.80	–	–
Lim Keen Ban <sup>(1)</sup>	–	–	70,070,425	42.32
Chia Nyok Song@Cheah Yoke Heng <sup>(1)</sup>	–	–	70,070,425	42.32
Lim Jit Ming <sup>(2)</sup>	–	–	52,657,490	31.80
Lim Jit Yaw <sup>(1)</sup>	–	–	70,070,425	42.32
Lim Yin Chian <sup>(1)</sup>	–	–	70,070,425	42.32
Henry Tay Yun Chwan	21,038,700	12.71	–	–
Ming Yaw Pte Ltd	17,412,935	10.52	–	–
Yu Chuen Tek <sup>(3)</sup>	8,835,015	5.34	7,428,000	4.49
Maria Norma D Yu <sup>(3)</sup>	118,000	0.07	16,145,015	9.75

## 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 17,412,935 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 by electronic means on Thursday, 3 September 2020 at 10.00 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 2020 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final one-tier tax exempt dividend of 2.0 cents per share and a special one-tier tax exempt dividend of 0.5 cents per share for the financial year ended 31 March 2020 (2019: a final one-tier tax exempt dividend of 2 cents per share and a special one-tier tax exempt dividend of 3.5 cents per share). **(Resolution 2)**
3. To approve the Directors' Fee of S\$589,875 for the financial year ending 31 March 2021 (2020: S\$596,516). **(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 Yaw **(Resolution 4)**
  - (ii) Mr Chin Sek Peng Michael **(Resolution 5)**
  - (iii) Mr Foo See Jin **(Resolution 6)****(See Explanatory Note 1)**
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



## NOTICE OF ANNUAL GENERAL MEETING

- (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 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,
- and adjustments in accordance with (A) or (B) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution, and
- (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 2)**

### 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

12 August 2020

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes

1. Detailed information on Mr Lim Jit Yaw, Mr Chin Sek Peng Michael and Mr Foo See Jin can be found under the “Board of Directors” section in the Company’s Annual Report 2020.

Mr Lim Jit Yaw will, upon being re-elected as a Director of the Company, remain an Executive Director of the Company.

Mr Chin Sek Peng will, upon being re-elected as a Director of the Company, remain the chairman of the Audit Committee and member of the Nominating Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Foo See Jin will, upon being re-elected as a Director of the Company, remain as a member of the Remuneration Committee.

2. **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. The Annual General Meeting (“AGM”) will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Shareholders will be able to watch the AGM proceedings through the Live AGM Webcast, the Company will not accept any physical attendance by shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.**

## Live Webcast:

2. Shareholders (including investors holding shares through Central Provident Fund (“CPF”) and Supplementary Retirement Scheme (“SRS”)) may watch the AGM proceedings through the Live AGM Webcast by registering at <https://complete-corp.com.sg/cortina-agm/> (the “**Registration Link**”) by 10.00 a.m. on 31 August 2020 (the “**Registration Deadline**”) to enable the Company to verify their status.

Following verification, authenticated shareholders will receive an email by 10.00 a.m. on 2 September 2020 containing a link to access the live audio-visual webcast of the AGM proceedings as well as a toll-free telephone number to access the live audio-only stream of the AGM proceedings.

## NOTICE OF ANNUAL GENERAL MEETING

- Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

Shareholders who register by the Registration Deadline but do not receive an email response by 10.00 a.m. on 2 September 2020 may contact the Company by email to [cortina-agm@complete-corp.com.sg](mailto:cortina-agm@complete-corp.com.sg).

### Submission of Proxy Forms to Vote:

- Shareholders who wish to vote at the AGM may submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.
- The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by:
  - mail to 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
  - email to [cortina-agm@complete-corp.com.sg](mailto:cortina-agm@complete-corp.com.sg)

**by no later than 10.00 a.m. on 1 September 2020, being 48 hours before the time fixed for the AGM.**

- CPF or SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on 24 August 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
- Please note that shareholders will not be able to vote through the live webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

### Submission of Questions:

- Shareholders may submit questions relating to the items on the agenda of the AGM to [cortina-agm@complete-corp.com.sg](mailto:cortina-agm@complete-corp.com.sg) stating their names and identification number for verification. All questions must be submitted by 10.00 a.m. on 26 August 2020.
- The Company will endeavour to address the substantial and relevant questions at or before the AGM. The responses to such questions from shareholders, together with the minutes of the AGM, will be posted on the SGXNet and the Company's website within one month after the date of the AGM.

### PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and / or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and / or guidelines

# 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 15 September 2020 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 15 September 2020 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 15 September 2020 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 3 September 2020 will be paid on 25 September 2020.

## **BY ORDER OF THE BOARD**

Foo Soon Soo  
Company Secretary

30 July 2020

## 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  
 www.cortinawatch.online

**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 Singapore**

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

**Mandarin Gallery**

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

**Paragon**

290 Orchard Road  
 #01-13/14/15/16, Paragon  
 Singapore 238859  
 Tel: (65) 6235 0084  
 Fax: (65) 6738 1641

**Raffles City**

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

**SPECIALIST****Patek Philippe ION**

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

**Patek Philippe MBS**

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

**Rolex Marina Square**

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

## CORPORATE LISTINGS

### MALAYSIA

#### OFFICE

**Cortina Watch Sdn Bhd**

Suite 2206, 22nd Floor  
Central Plaza No. 34  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
Tel: (603) 2148 8354 / (603) 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 / (603) 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 / (608) 8277 218  
Fax: (608) 8277 318

**Starhill Gallery**

UG29, Upper Ground  
Starhill Gallery  
181, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (03) 2144 1188 / (03) 2144 2188  
Fax: (03) 2144 3188

**Suria KLCC**

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

#### SPECIALIST

**Patek Philippe KLCC**

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

**Patek Philippe Marriott Hotel Kuala Lumpur**

LL1, Main Lobby Marriott Hotel Kuala Lumpur  
183, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (03) 2144 7833  
Fax: (03) 2144 7877

**Rolex Gurney Plaza Penang**

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

**Rolex Marriott Hotel Kuala Lumpur**

UG30, Upper Ground  
Starhill Gallery  
181, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (03) 2144 1811 / (03) 2144 3811  
Fax: (03) 2144 1899

**Tag Heuer KLCC**

Lot 105B, First Floor  
Suria KLCC  
Kuala Lumpur City Centre  
50088 Kuala Lumpur  
Malaysia  
Tel: (603) 2164 2118  
Fax: (603) 2164 4118

## CORPORATE LISTINGS

### THAILAND

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#### OFFICE

**Cortina Watch (Thailand) Co., Ltd**  
26/50, 14th Floor, Orakarn Building  
Soi Chidlom, Ploenchit Road, Lumpini  
Pathumwan, Bangkok 10330  
Thailand  
Tel: (66) 2254 1031  
Fax: (66) 2254 1030

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#### MULTI-BRANDS

**Central Embassy**  
Room no. G-02, Central Embassy  
1031 Ploenchit Road  
Lumpini, Pathumwan  
Bangkok 10330  
Thailand  
Tel: (66) 2160 5724  
Fax: (66) 2160 5725

**Central Plaza Ladprao**  
Room 103, 1st Floor  
Central Plaza Ladprao  
1697 Phahonyothin Road, Chatuchak  
Chatuchak, Bangkok 10900  
Thailand  
Tel: (66) 2937 0890  
Fax: (66) 2937 0895

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#### MULTI-BRANDS

**Erawan Bangkok**  
Room 01-15A, 1st Floor  
Erawan Bangkok  
494 Ploenchit Road, Lumpini  
Pathumwan, Bangkok 10330  
Thailand  
Tel: (66) 2250 7881  
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

## CORPORATE LISTINGS

### TAIWAN

#### OFFICE

**Cortina Watch TW Pte Ltd**  
9F, No. 97, Songren Road,  
Xinyi District, Taipei City 110  
Taiwan, Republic of China  
Tel: (886) 2 8780 5088  
Fax: (886) 2 8780 2090

#### MULTI-BRANDS

**Hotel Royal Nikko Taipei**  
No. 37-1, Section 2  
Zhongshan North Road, Taipei 104  
Taiwan, Republic of China  
Tel: (886) 2 2563 3538  
Fax: (886) 2 2563 7698

#### SPECIALIST

**Patek Philippe Taipei 101 Mall**  
2F, No. 45, Shifu Road, Taipei  
Taiwan, Republic of China  
Tel: (886) 2 8101 8201  
Fax: (886) 2 8101 8222

### HONG KONG

#### OFFICE

**Cortina Watch HK Limited**  
3/F Wing Cheong House  
53 Queen's Road Central  
Hong Kong  
Tel: (852) 2537 6236  
Fax: (852) 2537 9612

#### SPECIALIST

**Patek Philippe Queen's Road Central**  
53, Queen's Road Central  
Ground Floor  
Hong Kong  
Tel: (852) 2522 0645  
Fax: (852) 2522 8898

### INDONESIA

#### SPECIALIST

**Patek Philippe Plaza Indonesia**  
Plaza Indonesia  
Level 1, #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. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on 24 August 2020.) Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

### PERSONAL DATA PRIVACY

2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 August 2020.

I/We, \_\_\_\_\_

of \_\_\_\_\_

being \*a member/members of Cortina Holdings Limited (the “Company”), hereby appoint the Chairman of the Annual General Meeting (“AGM”) of the Company as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on Thursday, 3 September 2020 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM in the spaces provided hereunder.

**In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

**Please indicate your vote “For” or “Against” or “Abstain” with a tick [√] or cross (x) within the box provided.**

No.	Ordinary Resolutions	No. of Votes or to indicate with a tick [√] or cross (x) <sup>1</sup>		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1.	To receive and adopt the Audited Financial Statements of the Company.			
2.	To approve final and special dividends for the financial year ended 31 March 2020.			
3.	To approve Directors’ fee for the financial year ending 31 March 2021.			
4.	To re-elect Mr Lim Jit Yaw as Director.			
5.	To re-elect Mr Chin Sek Peng Michael as Director.			
6.	To re-elect Mr Foo See Jin as Director.			
7.	To re-appoint RSM Chio Lim LLP as Auditors of the Company.			
	<b>Special Business</b>			
8.	To authorize Directors to issue and allot shares pursuant to Section 161 of the Companies Act, Chapter 50.			

<sup>1</sup> All resolutions would be put to vote by poll in accordance with the listing rules of Singapore Exchange Securities Limited. Please tick “√” or cross (x) or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes “For” or “Against” or “Abstain” from voting on the relevant resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

**Total Number of Shares Held**

\_\_\_\_\_  
**Signature(s) of Member(s)/Common Seal**



**IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM**

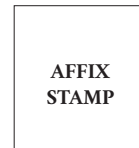
**NOTES:**

1. This instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
2. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be (a) submitted by mail to 10 Anson Road, #29-07 International Plaza, Singapore 079903 or (b) submitted by email to cortina-agm@complete-corp.com.sg not later than 48 hours before the time set for the meeting.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

3. 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.
4. The Company shall be entitled to reject this instrument of proxy 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 of proxy 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.
5. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
6. Personal data privacy: By submitting this instrument of proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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The Company Secretary  
**CORTINA HOLDINGS LIMITED**  
c/o 10 Anson Road, #29-07 International Plaza,  
Singapore 079903

## 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 and  
Chief Operating Officer

**Mr Chin Sek Peng, Michael**  
Lead Independent Director

**Mr Lau Ping Sum, Pearce**  
Independent Director

**Mr Foo See Jin, Michael**  
Independent Director

**Mr Long Foo Pieng, Benny**  
Independent Director

**Mr Chuang Keng Chiew**  
Independent Director

### COMPANY SECRETARIES

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

**Ms Sapphira Low Bing Yoke**  
ACIS

### AUDIT COMMITTEE

**Mr Chin Sek Peng, Michael**  
Chairman

**Mr Lau Ping Sum, Pearce**

**Mr Chuang Keng Chiew**

### REMUNERATION COMMITTEE

**Mr Lau Ping Sum, Pearce**  
Chairman

**Mr Foo See Jin, Michael**

**Mr Chuang Keng Chiew**

### NOMINATING COMMITTEE

**Mr Lau Ping Sum, Pearce**  
Chairman

**Mr Chin Sek Peng, Michael**

**Mr Yu Chuen Tek, Victor**

**Mr Chuang Keng Chiew**

### REGISTERED OFFICE

391B Orchard Road #18-01  
Ngee Ann City Tower B  
Singapore 238874  
Tel: (65) 6339 9447  
Fax: (65) 6336 7913  
www.cortina.com.sg  
Co. Registration No.: 197201771W

### REGISTRAR AND SHARE TRANSFER OFFICE

**KCK CorpServe Pte Ltd**  
333 North Bridge Road  
#08-00 KH KEA Building  
Singapore 188721

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



## Cortina Holdings Limited

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