COURTS

Creating Value for Better Living

Annual Report **2017**

Mission

We make aspirational home products easily affordable.

Vision

To be a market leading retailer offering customers superior value and experience by providing affordable home and technology solutions.

Core Values

- Employees First
- Customer Focus
- Innovate to Grow

Better Living. Better Prices. Better Value.

Corporate Profile

Listed on the Mainboard of the Singapore Exchange in October 2012, COURTS Asia Limited ("COURTS" and together with its subsidiaries, "the Group") is a leading electrical, IT and furniture retailer in Southeast Asia that offers superior value and experience to its customers.

With its roots as a furniture retailer from the United Kingdom, COURTS was established in Singapore and Malaysia in 1974 and 1987 respectively, and entered Indonesia in 2014. Today, COURTS operates over 90 stores in multiple store formats spanning over 1.7 million square feet of retail space. This includes the first Megastore that was pioneered in Tampines, Singapore, in 2006 as part of the Economic Development Board's "Warehouse Retail Scheme" to convert industrial land for commercial use.

In Malaysia, the Group opened its first Megastore in Sri Damansara, Selangor, in July 2013, followed closely by its second one in Subang Jaya, Selangor, in January 2014. The Group's expansion into Indonesia was spearheaded by the opening of a Megastore in Kota Harapan Indah, Bekasi, located in East of Jakarta, that opened in October 2014. A second Megastore in Indonesia opened in BSD City, Southwest of Jakarta, in January 2016.

Recognised as a retailer who offers affordable and competitive prices across its product range, COURTS also offers in-house credit facilities, which allow customers the flexibility of paying for their own purchases through affordable instalments. With this unique business model, the Group is able to derive additional income streams and maintain a competitive edge.

COURTS has also pioneered innovative retail concepts, which include *Ultimate Screens, Cool Zone Plus, YourBedding* and *Market Hall*. Constantly innovating to improve the shopping experience, COURTS continuously refreshes its stores to optimise the format, layout and merchandise mix.

In 2012, COURTS started its e-store and is amongst Singapore's top multi-channel retailers, growing from 7,000 stock keeping units (SKUs) to 14,000. Its e-store was launched in 2015 and 2017 in Malaysia and Indonesia respectively as part of its multi-channel strategy.

In addition, COURTS manages a customer base, with more than 1.3 million members through its *HomeClub* loyalty programme across Singapore, Malaysia and Indonesia.

Known for being an active corporate citizen, COURTS initiates meaningful and impactful ways to give back to the community, which mainly includes helping children, youths and families in need, as well as supporting football locally.

More information can be found on www.courts.com.sg.

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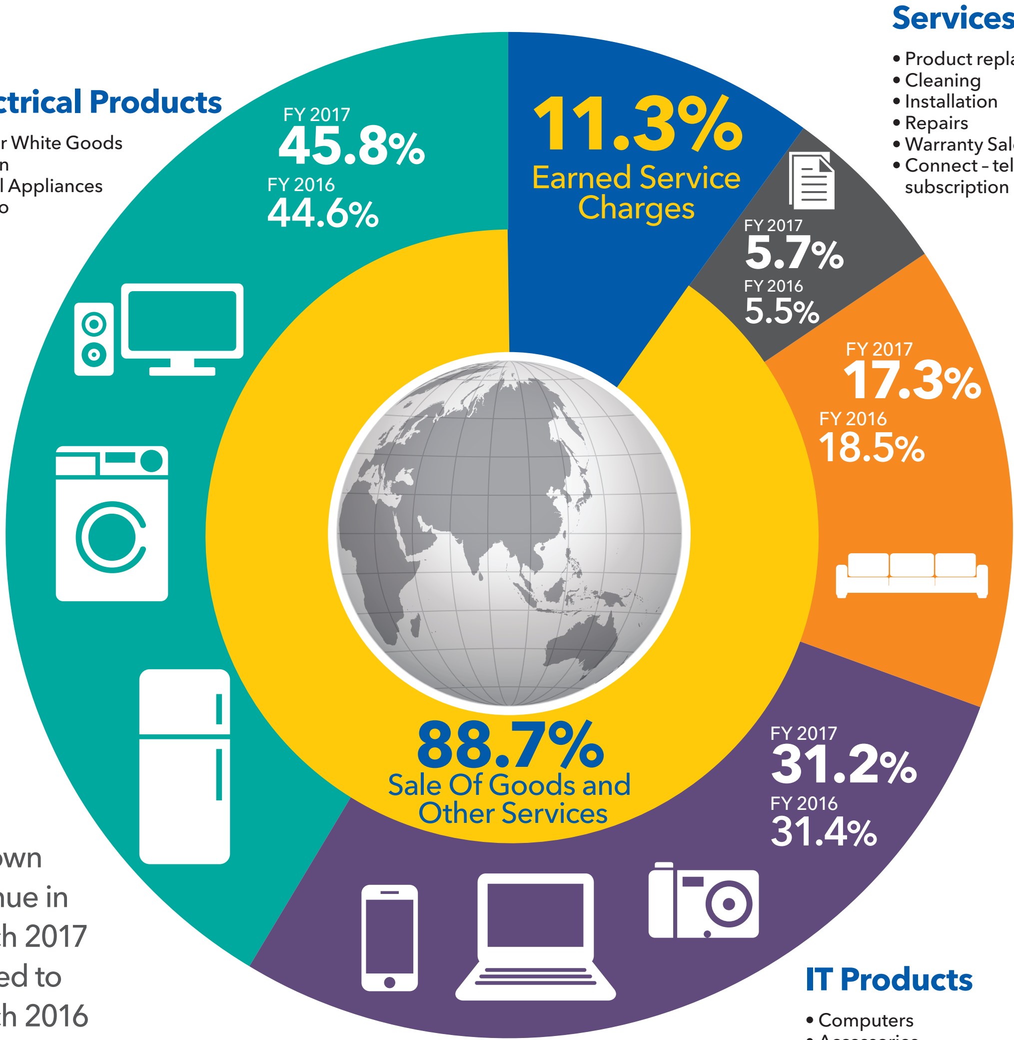
A Better Home
For Better Living

Key Facts at a Glance

Overview of revenue for FY March 2017

Services & Others
- Product replacement
- Cleaning
- Installation
- Repairs
- Warranty Sales
- Connect – telecommunications subscription plans

Electrical Products
- Major White Goods
- Vision
- Small Appliances
- Audio



Furniture
- Mattresses
- Bedroom furniture
- Dining room furniture
- Living room furniture
- Home office products

Breakdown of revenue in FY March 2017 compared to FY March 2016 (Restated)

IT Products
- Computers
- Accessories
- Photography
- Mobile

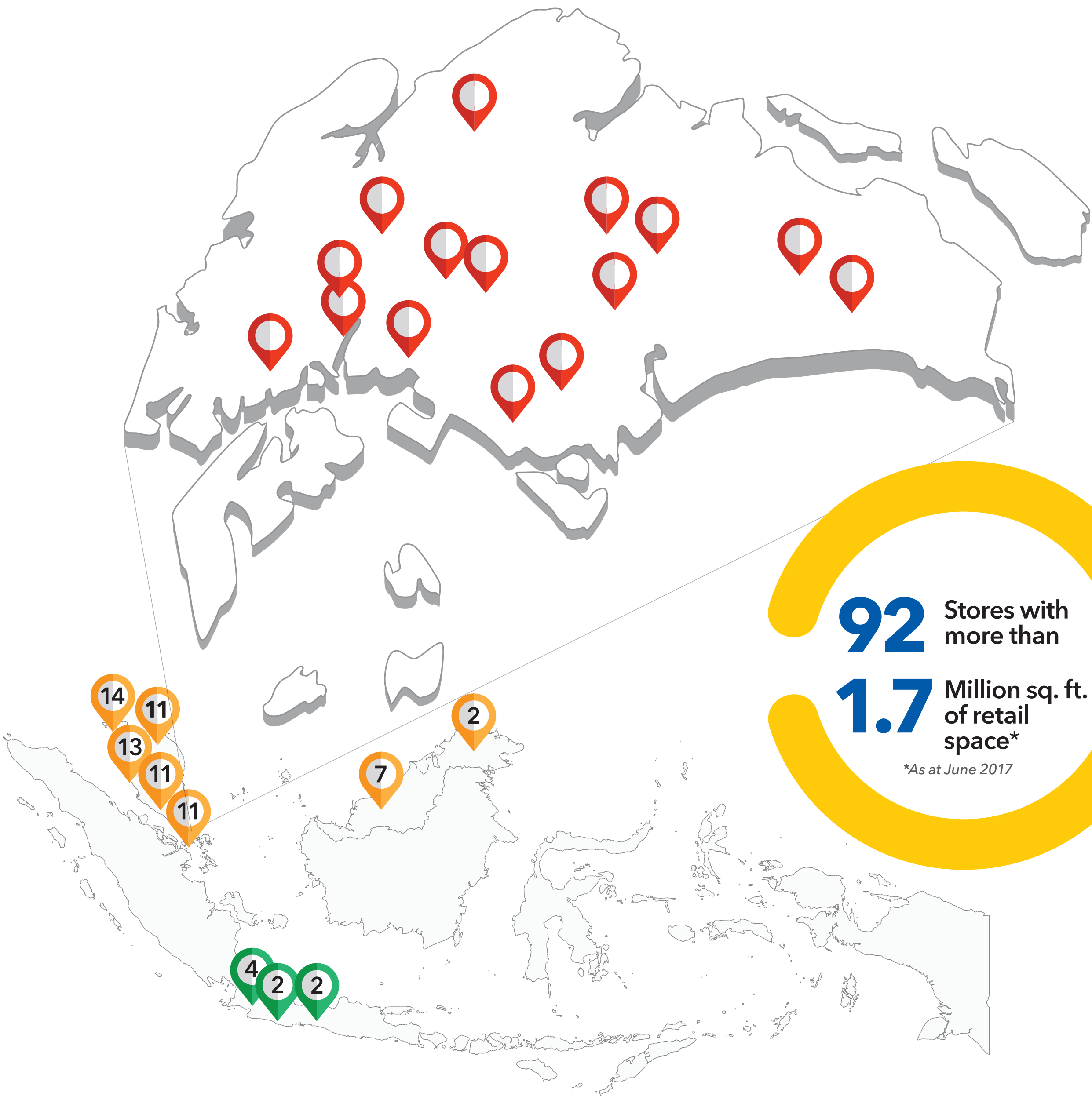
Three different store formats to cater to different customer needs and locations

Megastore
Retail area: >60,000 sq. ft.
Singapore (1) , Malaysia (2), Indonesia (2)

Superstore
Retail area:
12,000 – 60,000 sq. ft.
Singapore (13), Malaysia (30), Indonesia (3)

Small-Format Store
Retail area:
Up to 12,000 sq. ft.
Singapore (1), Malaysia (37), Indonesia (3)

Store Portfolio

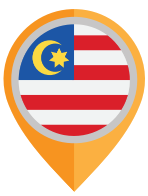


92 Stores with more than

1.7 Million sq. ft. of retail space*

*As at June 2017

Singapore
Number of stores: **15**
Retail space: **471,837 sq. ft.**



Malaysia
Number of stores: **69**
Retail space: **1,012,925 sq. ft.**

Indonesia
Number of stores: **8**
Retail space: **261,973 sq. ft.**

Company Highlights

Singapore Malaysia Indonesia

Apr 2016

- Refurbished COURTS Causeway Point
- Commenced partnership with NTUC Link Plus!
- Appointed 'Founding Member' of the National Volunteer & Philanthropy Centre's Company of Good
- Awarded 'Malaysia Best Employer Brand' by World HRD Congress
- Welcomed Decathlon into COURTS Megastore Sri Damansara
- Donated RM2,600 worth of home products to children in Sabah, through *Rumah Amal COURTS*

May-Jun 2016

- Contributed S$10,600 worth of household items and cooked meals for needy families during Ramadan
- Refurbished COURTS Sri Damansara Megastore
- Relocation of COURTS Puchong Permai
- Announced COURTS Megastore Kota Harapan Indah, Bekasi, as a retail entertainment destination, with anchor tenant Super Indo

Aug 2016

- Refurbished COURTS Megastore, with a revamped Market Hall experience and COURTS Design Studio
- Refurbished COURTS Giant Plentong in Johor

Jul 2016

- Donated RM2,600 worth of home products to a needy family through *Rumah Amal COURTS*
- Over 400 employees participated in a company-wide giving effort, donating to neighbouring orphanages and hosting them to *iftar* during Hari Raya

Sep 2016

- Launched comprehensive suite of digital & mobile repair services in five stores
- Expanded COURTS Design Studio, an integrated interior design and home furnishing solutions, in four stores
- Refurbished COURTS Toa Payoh
- Raised S$155,000 for Cerebral Palsy Alliance Singapore through the COURTS Annual Charity Golf Tournament
- Opened COURTS Jitra in Kedah, COURTS Bandar Riyal in Sarawak and COURTS Kuala Kangsar in Perak
- Donated furniture to a mosque and orphanage in Kelantan, through *Rumah Amal COURTS*

Oct 2016

- Contributed RM2,400 worth of furniture to needy schools in Selangor, during Deepavali through *Rumah Amal COURTS*
- Opened COURTS Pasir Tumboh in Kelantan
- Opened COURTS Ciputat and COURTS Ciledug in Tangerang, in conjunction with COURTS Indonesia's 2nd anniversary

Nov 2016

- Celebrated COURTS Megastore 10th Anniversary, joined by Liverpool Legends and Masters Football Asia stars
- Raised milestone amount of S$363,000 for Down Syndrome Association and The Red Pencil through the annual COURTS and O'Connors & Friends Charity Party





Dec 2016

- 124 employees awarded at the Singapore Retailers Association's Service Excellence Awards
- Donated Christmas presents to Rumah KIDS Klang through *Rumah Amal COURTS*
- Opened COURTS Bogor Trade Mall in Bogor

Jan 2017

- Opened COURTS Semenyih in Selangor
- Donated basic necessities to Lotus Charity Care Centre as part of *Rumah Amal COURTS*, marking the 50th home that the brand has helped

Feb 2017

- Sponsored Society for Physically Disabled's photography contest
- Contributed RM2,000 worth of household necessities to Susheela Care Centre as part of *Rumah Amal COURTS*

Photo credit: Andy Chua

March 2017

- Celebrated 30th anniversary in Malaysia
- Opened COURTS Karamunsing Complex in Sabah and donated RM2,800 of furniture to Bukit Harapan Home through *Rumah Amal COURTS*
- Opened COURTS Jelapang in Perak
- Officially launched COURTS online with over 1,000 SKUs
- Welcomed tenant Ramayana into COURTS Kota Harapan Indah


Investor Relations Calendar

Announcement of Q1 FY March 2017 results	11 August 2016
Analysts' briefing for Q1 FY March 2017 results	12 August 2016
Announcement of Q2 FY March 2017 results	9 November 2016
Analysts' briefing of Q2 FY March 2017 results	10 November 2016
Announcement of Q3 FY March 2017 results	7 February 2017
Analysts' briefing of Q3 FY March 2017 results	8 February 2017
Announcement of full year results for FY March 2017	28 June 2017
Analysts' briefing of full year results for FY March 2017	29 June 2017
Notice of Annual General Meeting ("AGM") 2017	26 July 2017
AGM 2017	10 August 2017
Book Closure Date	18 August 2017
Payment of Final Dividend	30 August 2017

Chairman's Message

> This year, we will amplify our efforts by differentiating our brand through a solutions-focused approach.

Dear Shareholders,

It gives us great pleasure to present you our annual report for the financial year ended 31 March 2017 ("FY16/17").

The retail industry climate continues to be subdued in the markets that we operate in, as we experienced industry structural headwinds during the year under review. Whilst we have started to see early signs of recovery in the overall economy, it remains too early to gauge if it will be sustained.

Singapore's economy grew 2.0% in 2016, a slight uptick from the 1.9% in 2015[1]. While the Ministry of Trade and Industry continues to project GDP growth of between 1.0% and 3.0% for 2017, a robust 2.7% expansion in the first quarter points to a potentially higher full year growth of more than the 2.0% for 2016[2].

In Malaysia, GDP growth slowed down to 4.2% in 2016 from 5.0% in the preceding year[3]. However, the economy is expected to accelerate marginally by between 4.3% and 4.8% in 2017[4]. The Ringgit has also largely stabilised against the Singapore Dollar in 2016, depreciating 2.1% for the year.[3] However, consumer sentiment continues to remain relatively weak, impacting willingness to spend.

Indonesia registered an economic growth of 5.0% in 2016, ahead of the 4.9% projected by the country's central bank, and a pick-up from the 4.8% in 2015[5]. This is expected to accelerate between 5.0% and 5.4% in 2017, underpinned by stronger export and investment performance, as well as robust consumption[6].

Compelling Performance

Despite a moderate economic recovery in two of our core markets during the year under review, the retail industry is facing a unique set of challenges including an unprecedented disruption in the form of intense market competition, leading to margin erosion; as well as increasing encroachment from pure-play online retailers due to product commoditisation.

In the midst of a weak retail environment, I am heartened to report that the Group has delivered commendable results through internally-generated initiatives – a combination of cost efficiency measures and a continued drive to improve operational excellence. In FY16/17, the Group delivered a net profit of S$23.7 million, against a restated profit of S$6.8 million for the full year ended 31 March 2016 ("FY15/16")[7] on a marginal 1.5% decline in revenue to S$740.5 million, from S$751.9 million over the same period.

At this juncture I would like to highlight that the Group has applied the new Singapore Financial Reporting Standard 115 Revenue from Contracts with Customers ("FRS 115") issued by the Accounting Standards Council Singapore to its FY16/17 financial statements.

Whilst the effective date of implementation of FRS 115 is for accounting periods beginning on or after 1 January 2018, we have decided to early adopt the accounting standard given that a significant portion of our business revenue is attributable to services as well as credit bundle sales. We wish to assure all stakeholders

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1 *MTI Maintains 2017 GDP Growth Forecast at "1.0 to 3.0 Per Cent" –Ministry of Trade and Industry Singapore – 17 February 2017*
2 *MTI Maintains 2017 GDP Growth Forecast at "1.0 to 3.0 Per Cent" – Ministry of Trade and Industry Singapore – 25 May 2017*
3 *Economic And Financial Developments In Malaysia In The Fourth Quarter Of 2016 – Bank Negara Malaysia – 16 February 2017*
4 *The 2016 Bank Negara Malaysia Annual Report – Bank Negara Malaysia – 23 March 2017*
5 *Indonesia's Economy in 2016 Grows Positively – Bank Indonesia – 6 February 2017*
6 *Building External Resilience of Indonesia – Bank Indonesia – 31 May 2017*
7 *The Group applied the new Singapore Financial Reporting Standard 115 ("FRS 115") Revenue From Contracts with Customers issued by the Accounting Standards Council for its FY16/17 financial statements and retrospectively as required, which resulted in the restatement of reporting for the prior year.*

that the FRS 115 revenue recognition model will not impact profits over the term of the contract and there is also no impact on cash flow. We believe early adoption is in the best interests of our shareholders as it will give us the necessary lead time to review our existing business and contracting practices as well as allow the business to better prepare for the changes required for impairment of trade receivables and lease accounting treatments when the relevant new accounting standards become mandatory.

Deepening the Management Bench

In line with our core value of putting employees first, we believe that the fundamental strength of our company is in our people. Putting the right people in place is one of the most critical functions of organisational management.

As part of our efforts to strengthen the management team, I am pleased to welcome Mr Ben Tan and Mr Dolf Posthumus who joined COURTS Asia in early 2017 as Country Chief Executive Officers (CEOs) for Singapore and Malaysia, respectively. More recently, Mr Joseph Greenway was appointed as Country CEO for COURTS Indonesia.

Mr Stan Kim, who was our Group Chief Information Officer (CIO) and Country CEO, Singapore, has been re-designated as Group Chief Innovation Officer, tasked with the responsibility to drive our e-commerce efforts and help the Group develop the relevant capabilities in the digital space. We believe that a razor-sharp omni-channel strategy is crucial in the face of changing consumer behaviour in favour of online shopping, and having a designated senior point person would be critical in driving and executing our strategy. However, brick-and-mortar stores still have a strong place in this changing consumer landscape. COURTS Asia places a strong emphasis on an omni-channel customer experience and will continue to invest in e-commerce and a differentiated in-store experience for our customers.

Meanwhile, Mr Tim Luce, our Group Chief Operating Officer (COO) and former Acting CEO of COURTS Malaysia, has now fully focused on the regional COO portfolio. He will work closely with Country CEOs across our markets to drive the Group's vision to be a regional omni-channel player through transformational operational efficiency and innovation.

Strategy Going Forward

Over the course of the year under review, management has continued to invest in the growth pillars of our business to achieve sustainable growth. This year, we will amplify our efforts by differentiating our brand through a solutions-focused approach.

This includes putting a greater emphasis on developing our online presence and offering, since the competition we face in the retail industry today is not just from the traditional retailers but also online e-tailers.

Instead of ignoring disruption in the retailing world, we believe in being proactive as we drive our core competencies to stay on top of the competition. Our goal is to build a best-in-class online offering in Singapore before rolling it out to Malaysia and Indonesia. It is an ongoing journey and our ultimate goal is to become a regional omni-channel retailer that delivers an integrated online-to-offline (O2O) experience that would reach out to customers at multiple touch points.

With that in mind, we continue to invest in store renewals. Beyond refreshing the look and feel of our retail space, we are also mindful of improving store productivity through better use of space and incorporation of value-added services into our product offerings. Besides boosting margins, these services will also deliver a value proposition to customers beyond price.

Moving forward, COURTS Asia will continue to place strong emphasis on solutions leadership, looking beyond the business of 'moving boxes', towards the offering of comprehensive services and refreshing retailing experiences, both online and in-store. With the convergence of technology, and the rise of Smart Homes, we believe more opportunities are open to us to expand our offerings to our customers and deploy complete solutions instead of just products to meet their needs.

With the right cost structure and continued investments in the business, we are now able to leverage the growth levers put in place to expand solutions-selling in all categories, transform our physical stores into experience centres, and drive our omni-channel strategy. We believe the measures put in place in the last few years will position us well to take advantage of the retail industry recovery when it happens.

This year also marks the 30th anniversary of COURTS Malaysia. This is a significant milestone and we are proud to have served the Malaysian consumers over the last three decades. We will continue to invest in the Malaysian market, both in online capabilities and physical stores, to increase our market share, and we look forward to many more years of growth, in line with the country's progress.

In terms of markets, we continue to be open to expanding our footprint into new geographical regions within Southeast Asia. This would allow us to leverage our brand to develop COURTS Asia into a truly regional player.

Share Buybacks

During the year, the Group bought back a total of 9,403,900 shares from the open market, which demonstrates the Board's confidence in the Group's prospects in the long run. Part of these treasury shares would be used to reward key management staff under the share incentive plan.

Appreciation and Proposed Dividends

At this point, I would like to express my deepest appreciation to my fellow Board members for their invaluable counsel and insight in overseeing the Group. My heartfelt thanks to our management team for their dedication and hard work in bringing us to where we are today, as well as our business associates, partners, suppliers and loyal customers for their generous support over the years.

I would like to take the opportunity to thank Mr Ibrahim Abdelazim Aboutaleb, who had stepped down from the Board following his resignation from The International Investor Company, our significant shareholder, for the years of contributions. I would also like to welcome back Mr Adnan Abdulaziz Ahmed AlBahar who has rejoined the Board. We believe given his extensive finance-related experience and intimate understanding of the Group, Mr AlBahar would be an asset to COURTS Asia.

To our shareholders who continue to stand behind us, I would like to extend my deepest gratitude for maintaining your faith in us. As a token of our appreciation, we are pleased to propose a one-tier tax-exempt final dividend of 1.29 Singapore cents per share, subject to approval at the upcoming Annual General Meeting which will be held on 10 August 2017.

In Closing

Despite the challenging retail environment, we remain optimistic on the long-term prospects for Southeast Asia, supported by improving consumer sentiment, a widening middle class and increasing consumption power. I am excited to be on a journey with the Group to build COURTS Asia into a pan-Asian omni-channel retailer, and in the process create value for all our stakeholders.

Mr Jack Hennessy
Chairman

CEO's Statement

"We will leverage these growth levers further to expand our solutions leadership into five key areas to deliver better user experience and build greater brand loyalty with our customers."

Dear Shareholders,

The year in review continues to be a challenging period for the retail sector. Against the backdrop of a subdued economy and macro environment, our management team has continued to adhere to our strategy of delivering profitability through improving cost structure and productivity-enhancing measures. We have set the foundation in place with a reduced cost structure whilst making the necessary investments in strategic areas. At the same time, we have reshuffled our senior management team into different roles as well as hired external talent to strengthen the team. I am glad to report that these initiatives have come to fruition, as evident from the set of results for the year in review.

The Group delivered a net profit of S$23.7 million for FY16/17, against the restated profit of S$6.8 million for FY15/16, notwithstanding a 1.5% dip in revenue to S$740.5 million in FY16/17, from S$751.9 million over the same period, in line with a weaker retail environment.

COURTS Asia has chosen to be an early adopter of the new FRS 115 issued by the Accounting Standards Council. Our FY16/17 financial statements are retrospectively presented under the new FRS as required, which resulted in the restatement of reported earnings for the prior year.

As a portion of our business revenue is attributable to services as well as credit bundle sales, which are impacted under the new FRS 115 rule, we deem the impact to be material and made the decision to be an early adopter of this rule as we believe it is in the best interests of our shareholders to do so.

The main changes under FRS 115 are that revenue transactions with a significant financing component have to be adjusted using a discount rate that would be reflected in a separate financing transaction between COURTS Asia and our customers at contract inception (i.e. market rate) and a portion of revenue has to be allocated to the service obligations provided to customers and this revenue has to be deferred and recognised over the service period. As a result, the revenue recognition for credit sales and services under FRS 115 will have an impact on the current year's revenue and profit as well as the prior year's revenue and earnings.

As our Chairman has highlighted, the new FRS 115 revenue recognition model will not impact profits over the term of the contract and there is also no impact on cash flow. Income arising from services will be recognised over time instead of upfront at point of sale whilst service charge income will be recognised using the market Effective Interest Rate. The restated Balance Sheet as at 31 March 2016 saw unearned service charge income increase by S$55.0 million to S$120.3 million whilst deferred revenue stands at S$62.4 million as compared to nil under the previously reported Balance Sheet as at 31 March 2016.

Performance Attribution

Turnover from Singapore slid by 2.7% to S$491.0 million in FY16/17 whilst Malaysia registered a 1.6% increase in RM currency to RM680.6 million on a year-on-year basis. Both were mainly due to lower sales of goods offset by higher earned service charge income. Our revenue in Indonesia rose significantly by 57.0% in Rupiah currency, to IDR248.5 billion, in line with newly opened stores.

Revenue contribution from credit sales rose marginally to 34.9% of overall sales as compared to 33.6% in FY15/16. However, it is noteworthy that credit sales in Indonesia accounted for 35.0% of revenue in FY16/17, up significantly from the 27.8% in the preceding year, reflecting greater awareness of our credit offerings.

Earned service charge income, derived from our in-house credit facility, grew approximately to S$19.3 million in Singapore in FY16/17, up from S$16.4 million the year before, whilst Malaysia saw a S$5.8 million increase to S$62.4 million for the year in review.

Gross profit rose 5.7% to S$268.4 million, despite the marginal dip in revenue, mainly in line with a 2.5 percentage point increase in gross margin to 36.3% in FY16/17, from 33.8% in FY15/16. A deeper analysis showed that we achieved a higher margin from higher earned service charge income and a higher merchandise margin.

Consequently, we registered a net profit of S$23.7 million, and earnings per share rose by 255.8% to 4.59 cents for FY16/17.

Solutions Leadership

During the year under review, we have continued to invest in strategic areas of the business, deepening our capabilities in areas such as online retail and category services. In the year ahead, we will leverage these growth levers further to expand our solutions leadership into five key areas to deliver better user experience and build greater brand loyalty with our customers.

1. ***Expand Category Solutions-Selling***
   We will continue to roll out more category services to all markets, viewing them as opportunities to bundle value-added services and provide complete solutions to our customers. Besides digital and mobile repair services, cleaning services for mattresses, installation for furniture and maintenance for air-conditioning, we intend to expand services to more categories.

   We want to look 'beyond the box' and develop our services proposition with resolve and focus. This means understanding the intangible needs that customers are looking for, so that we can meet and even exceed their needs. Moreover, we aspire to do that seamlessly and make the purchase and ownership experience as efficient and comfortable as possible.

2. ***Drive Omni-Channel With Urgency***
   In recent years, pure-play online stores have been making inroads across our key markets. Developing an omni-channel solution has taken on greater urgency and establishing a unique consumer proposition for COURTS in the online space is crucial for us to ensure that we continue to stay ahead of the game. To this end, I am glad to have Mr Stan Kim re-designated as our Group Chief Innovation Officer to drive our efforts on that front.

   We are channel-agnostic when it comes to how consumers shop. What we want to achieve is an integrated online-to-offline (O2O) offering that provides customers with multiple touch points. Sales can be closed online or offline, purchases can be delivered or picked up from our 'Click & Collect' counters in-stores. Ultimately, it is about having an omni-channel mindset across our business to serve our customers better.

   In this regard, I believe established traditional retailers like ourselves have a better chance to succeed in providing an omni-channel experience compared to online start-ups, given our long-standing relationships with customers. We have over 40 years of history with Singapore customers and are celebrating our 30 years in Malaysia this year.

   Our intention is to develop an online solution which has the ability to scale with the business. The Singapore market will lead the way given high mobile and Internet penetration and more sophisticated consumer behaviour patterns with regards to online shopping. We will harness in-depth experience in our home ground and refine our end-to-end processes to deliver an enhanced omni-channel experience for our customers in Malaysia and Indonesia.

3. ***Make Off-Line Stores Experience Centres***
   Even as we work to create the best online experience for our customers, we believe retail will not move completely online. Many customers still want to have a touch-and-feel experience, especially with product categories like furniture, where the quality of the materials, the true colour of the fabric and feel of one's weight on the sofa or bed matters, and cannot be experienced in front of a screen or with the click of a mouse.

   Moreover, many customers would still desire human interaction and advice, and find comfort in seeking help from a friendly face instead of a customer service call centre. With that, our physical outlets will need to transform into experience centres, to entice and excite consumers with the latest technology and home living trends.

   Our goal is to inject vibrancy into our physical stores, creating a lifestyle experience for our customers as they walk into our stores. Given that knowledgeable store associates are critical in delivering the experience, we will continue to invest in providing on-the-job training to equip our sales associates with the skillsets to meet customers' rising expectations, and stay relevant in the evolving retail industry.

4. ***Centre Furniture Strategy Around New Home Needs***
   Another key thrust this year would be in our furniture category. This is one of our higher margin product categories, and we believe that we can deepen our penetration in this market, which is largely fragmented with no clear brand leadership, by focusing on the needs of new home owners. We have set our sights on accomplishing a complete evaluation on how to fulfill those needs with our product line-up.

   With that objective in mind, we have strengthened our product category team with the addition of senior regional hires. We intend to undertake greater coordination regionally in terms of purchasing and merchandising, and this will lead to a transformational go-to-market strategy for consumers.

5. ***Leverage Our USP in Credit***
   Our ability to extend credit in-house to our customers continues to be a unique selling proposition and key advantage against our competitors. With our long industry experience, we have built up a robust system of credit assessment and collections, which accords us the latitude to offer risk-based credit pricing to different segments of customers. This allows us to expand our credit offerings to tap new customer segments and grow our service income. This is especially powerful in the less developed markets, since we broaden our target market by increasing the purchasing power of our potential customer base.

   We will continue to balance risk and rewards, exercise prudence and ensure we have in place appropriate risk management processes for our credit business.

CEO's Statement

Regional Initiatives

With differing maturity levels of each regional market, we have undertaken different strategies and initiatives. For the new financial year, it is our intention to continue investing in new store openings across Malaysia and Indonesia as well as refresh existing stores across our three markets with the 'next-generation' concept, inspiring consumers with the latest technology and home living trends, complete with an omni-channel offering.

In Singapore, where the retail industry is the most matured and developed, our focus is to continue driving bottom line growth through cost efficiencies and productivity measures. In addition, we would also be undertaking store renewals, which would include an overhaul of our flagship COURTS Megastore, to refresh the shopping experience of our customers. Singapore is also spearheading our online efforts in adopting industry best practices, to ensure smooth implementation and execution in our other markets.

In Malaysia, we are leveraging the opportunity of the soft retail environment to set up new stores at attractive locations and reasonable rents. As at the end of FY16/17, we have added seven new stores and closed two under-performing stores in the country to reach 69 outlets, compared to 64 for the year before. We look to continue to expand our footprint in the country, with the target of opening a minimum of five new stores in Malaysia by the end of FY17/18.

The credit collection environment in Malaysia has become more challenging given the slower economy. As such, we continue to monitor credit controls to ensure impairment levels are within control. Overall, our emphasis this year would be to add more resources and implement tighter control in order to minimise our risk exposure in this country.

We have come a long way, starting from a single outlet in Johor Bahru in 1987 to become one of the largest electrical, IT and furniture retailers with 69 stores across the country. Over a 30-year period, we have created many milestones whilst staying focused on providing value to Malaysian consumers. It's not been an easy task and I would like to take this opportunity to thank the management and staff of COURTS Malaysia for their dedication and hard work in bringing us to where we are. I look forward to many more good years to come.

In Indonesia, we have opened our eighth outlet in the country from five stores a year ago. Going forward, we will continue to extend our reach in the Greater Jakarta region. Our intention is to continue opening smaller format stores to complement the Megastore format with a target of five new store openings in Indonesia this year. At the same time, we are also experimenting with 'pop-up' stores that offer short-term leases to add market share. These 'pop-up' concepts could potentially be converted into permanent stores if they perform well.

Subsequent to the year-end, the Group has also started to offer door-to-door credit sales on a trial basis in Indonesia. Apart from adding a new stream of recurring income, it exposes the brand to more customers by bringing our credit offerings to their doorsteps.

Meanwhile, we continue to transform our Megastore in Malaysia and Indonesia into destination 'retail-tainment centres' for the family by bringing in new tenants, both to share our rental overheads, as well as to draw a bigger shopper base into the outlets. The latest addition to our list of tenants is Ramayana Lestari Sentosa, one of Indonesia's largest fashion retailers, which has taken up space in COURTS Kota Harapan Indah Megastore at Bekasi. In Malaysia, Decathlon has expanded its tenanted area at COURTS Sri Damansara Megastore.

Ramayana, one of Indonesia's largest fashion retailers, is the latest tenant addition to COURTS Kota Harapan Indah Megastore in Bekasi.

Conclusion

Looking forward, this would be a year of leveraging the growth levers that have been put in place over the past few years.

Encapsulating our solutions-focused approach in the five key areas outlined above is a new brand campaign to invigorate our brand across all our three markets in the later part of this year, which builds on the promise of 'Better Living, Better Prices' by offering value and convenience to customers.

At the same time, we continue to explore possible avenues to expand our regional footprint. We are evaluating our options to grow our presence in other Southeast Asian markets by leveraging our strong expertise in the retail industry and deep understanding of consumer behaviour to grow our brand regionally.

There will still be challenges ahead as the retail industry continues to be disrupted. However, competition accelerates industry innovation which will ultimately benefit consumers as well as catalyse industry consolidation.

With a sharp focus on managing cost and productivity whilst investing in the growth engines for our business, I believe COURTS is in a strong position to navigate the winds of change. We will continue to stay focused to create Better Living and Better Value for our customers as well as build value for our shareholders.

Dr Terence Donald O'Connor
Group Chief Executive Officer

End-To-End Solutions For Every Need

Celebrating 30 in Malaysia

In 1850, a young man named Henry Court opened a small family-run furniture business in Canterbury, England. The business fell on hard times during World War II and was sold to the Cohen family in 1945. By the late 60s, the Cohens embarked on overseas expansion beyond their shores, targeting the Caribbean and Asia. In 1974, the first COURTS store opened in Singapore in Orchard. 13 years later, in 1987, COURTS opened its first store in Malaysia. This year COURTS Malaysia celebrates its 30th, and this is how its story unfolded over the years.

1987
- Opened its first store in Johor Bahru as a 42,000 sq. ft. showroom

1994
- Launched flagship store in Setapak, with over 70,000 sq. ft. of retail space
- Grew to 21 stores, with a total retailing area of over 160,000 sq. ft.

1995-1999
- Having established itself in South Malaysia, focused on expansion into Central, Northern and East Coast of Malaysia by opening 25 new stores

2000
- Continued growing store footprint to include Sitiawan, Bukit Jambul, Ayer Itam, and Subang Jaya
- Launched its first East Malaysia store in Kuching with a showroom of approximately 33,000 sq. ft.

2003
- Established a National Call Centre to facilitate credit management

2007
- Opening of COURTS Megastore Mutiara Damansara, COURTS Malaysia's first big-box concept store
- Closed 21 unprofitable stores and refurbished 20 stores, as part of turnaround plan, before growing store base again

2008
- Introduced electronics categories for the first time, and re-introduced IT products into product range

2013
- Attracted over 50,000 customers during the opening weekend of its 'Big-Box' Megastore Sri Damansara. Spanning 108,000 sq. ft., it is the largest COURTS store in Malaysia to date

2014
- Opened the second 'Big-Box' Megastore in Subang Jaya, Klang Valley
- Introduced innovative concepts such as *Sofa Maker* and *Sleep Clinic* in all stores

2015
- Relaunched COURTS online
- Launched nationwide brand campaign 'Senang Sehaja, COURTS Ada' and appointed Harith Iskander, first COURTS brand ambassador in 20 years

2016
- Welcomed tenant Decathlon into COURTS Megastore Sri Damansara, establishing it as a retail entertainment destination

2017
- Celebrated 30 years in COURTS Malaysia






A 30th Birthday Bash To Remember

To commemorate its 30th anniversary, COURTS Malaysia celebrated its 30th birthday in March 2017 with a big-bang celebration alongside friends, customers, staff and media who have been supporting the brand for over 30 years. To thank its customers and shoppers for their support, COURTS launched its '*Meraikan Hidup Senang*' (Celebrating Better Living) campaign featuring celebrity ambassador Harith Iskander, with a celebration preceding a host of activities planned for the coming months.

With over 1 million square feet of retail space spread across Malaysia today, COURTS Malaysia is a one-stop shopping destination that has become one of the country's most trusted retailers, standing for affordability and good value.

COURTS Malaysia celebrated better living with celebrity ambassador Harith Iskander making an appearance on its 'Meraikan Hidup Senang' campaign

From Left: Country CEO for COURTS Malaysia Dolf Posthumus, Branch Manager of COURTS Setapak Mohd Faisal bin Abd Hamid, Credit Supervisor Umadevi P. Faisal, Group COO for COURTS Asia Tim Luce, Logistics Manager Serene Mackenzie and Marketing Director for COURTS Malaysia Low Bee Yin. Faisal, Umadevi and Serene have served COURTS for close to or over 30 years and were invited to celebrate COURTS' 30th with a bang

As part of the festivities, COURTS Malaysia brought cheer to 30 homes in Kuala Lumpur and Selangor through its Rumah Amal COURTS *CSR programme, serving the needs of over 3,800 children, the elderly and those with special needs*

Branch Manager of COURTS Setapak, Mohd Faisal bin Abd Hamid, who has served COURTS for over 26 years

"I started my career with COURTS when I was 17 years old. What I learnt from working with COURTS is the strength to achieve something in life."

When I first visited COURTS, I was served by Nasri. The service that Nasri provided was so excellent that now, every time I'm back in COURTS, I'll look for him. That's why I continue to buy products from and never stop going back to COURTS. Happy 30th anniversary COURTS!

Mrs Hoh and husband, both loyal customers of COURTS Malaysia

Operations Review

FY16/17 proved to be another challenging year as the operating environment continued to face a tough retail climate. The Group continued its work on cost efficiency and productivity measures whilst taking a cautious approach to store expansion.

The Group is also taking a solutions-focused approach in serving its customers. During the year in review, it launched a comprehensive suite of digital and mobile repair services and has plans to build on more services for this year.

From a marketing and advertising perspective, the Group continues to seek out opportunity in a soft economic environment, negotiating hard on media contracts to improve the terms, as well as improving marketing efficiency.

Into its fourth year of measuring Smile Score (also known as Net Promoter Score), the Group rolled out a tablet feedback collection system to all stores in Singapore in a bid to get more customer feedback. The Net Promoter Score is an industry benchmark that measures the willingness of customers to recommend a company's products or services to others. The Group believes it is important to continue to collect this data for continuous improvement.

Key highlights of the Group's operations in FY16/17 were as follows:

SINGAPORE: LEADING THE WAY IN OPERATIONAL EFFICIENCY, OMNI-CHANNEL AND SOLUTIONS INNOVATIONS

COURTS Singapore continues to lead the way for the Group in improving operational efficiency and enhancing innovation of offline and online stores. Singapore's COURTS online store continues to be used as the benchmark for improving the front-end experience and back-end capabilities for Malaysia and Indonesia's online stores.

Store Update

COURTS Singapore's total number of stores stood at 15 by the end of the year in review, with no net change in store count from the previous fiscal year. The Group added a store in Tiong Bahru Plaza and closed a store in Funan DigitaLife Mall. The Group refurbished its Causeway Point and Toa Payoh stores and Tampines Megastore, enhancing the browsing, solutions and check-out experience for customers. Given the ongoing soft retail environment, the Group continues to negotiate on rental agreements and stay alert on opportunities for new store locations.

COURTS Causeway Point reopened in April 2016 with a brand-new LED storefront.

Driving Customer Relationship Management through Partnerships

In April 2016, COURTS Singapore announced its partnership with NTUC Link's Plus! Programme. The collaboration enables COURTS shoppers to earn Link Points on their purchases as well as redeem Link Points at any COURTS store, in a co-branding tie-up with one of Singapore's largest consumer rewards programmes to encourage return customer visits. NTUC Link benefits over 1.6 million NTUC members.

One-Stop Interior Design & Furnishing Solution

Following positive reception of the first COURTS Design Studio in COURTS Tampines Megastore in 2015, COURTS Singapore embarked on a closer collaboration, rolling the offering out to three more stores by September 2016. A partnership between COURTS and Ciseern, an award-winning interior design firm, COURTS Design Studio provides customised interior design and furnishing packages for entire apartments, as well as specific home areas such as living and dining. New home-owners and avid home decorators consult design consultants at these stores, and are able to purchase interior design and home products bundles. COURTS Flexi Home, one of the Group's credit products is also being offered at the Design Studio.

COURTS Design Studio, available in four stores islandwide, offers interior decorating and furnishing expertise in a one-stop-shop solution.

End-to-End Repair Solutions

COURTS Singapore rolled out a comprehensive suite of digital and mobile repair solutions in five of its stores by September 2016. The services, offered at counters manned by repair consultants, provide repair and maintenance servicing for both software and hardware issues across IT and mobile devices. These services are available for both new purchases at COURTS and existing devices. These services complement COURTS' existing suite of auxiliary services and solutions, which include extended warranty and product replacement plans, as well as product care and maintenance services for air-conditioners, cleaning services for mattresses and installation services for furniture, among others.

Singapore saw attachment rates improve quarter on quarter for the year in review. The Group intends to expand further on this initiative in FY17/18, extending services to more product categories and across markets.

MALAYSIA: GROWING BRAND EQUITY WHILE DRIVING PRODUCTIVITY IMPROVEMENT

Amid a soft consumption outlook, COURTS Malaysia continues to position itself as a value retailer to appeal to its target customers. The credit collections environment also proved to be challenging and the Group continues to strengthen its credit infrastructure to minimise risk exposure. The Group opened the COURTS Solutions Centre in Iskandar Puteri to further support its credit operations and infrastructure.

New Store Openings and Refurbishments

Leveraging the softer rental market while being cognizant of weakening consumer confidence, the Group was selective on store opening locations and refurbishment opportunities, opening seven new stores, closing two and refurbishing two – landing at a total of 69 stores by the end of FY16/17.

New stores opened include:

- COURTS Jitra, Kedah (September 2016)
- COURTS Bander Riyal, Sarawak (September 2016)
- COURTS Kuala Kangsar, Perak (September 2016)
- COURTS Pasir Tumboh, Kelantan (October 2016)
- COURTS Semenyih, Selangor (December 2016)
- COURTS Karamunsing Complex, Sabah (March 2017)
- COURTS Jelapang, Perak (March 2017)

Refurbished stores include:

- COURTS Sri Damansara Megastore (June 2016)
- COURTS Plentong, Johor (August 2016)

Closed stores include:

- COURTS Bukit Gambir, Johor (August 2016)
- COURTS Bundusan, Kota Kinabulu (August 2016)

Welcoming Tenants in Productivity Improvement Drive

As part of the Group's efforts towards improving store productivity and providing more value to customers, COURTS Malaysia introduced global leading sports and athletic equipment retailer, Decathlon, as one of the Group's first anchor tenants. Spanning 27,000 square feet of the Sri Damansara Megastore, the French retailer's flagship store includes testing zones for cycling, hiking, fitness and other various products to enhance customers' shopping experience. Decathlon opened its doors in Sri Damansara Megastore in May 2017, and expanded its tenanted area in the last quarter of FY16/17. This tenancy signifies the Group's first step towards transforming the Sri Damansara Megastore into a one-stop retail entertainment centre.

Transforming COURTS Sri Damansara Megastore into a one-stop retail entertainment centre.

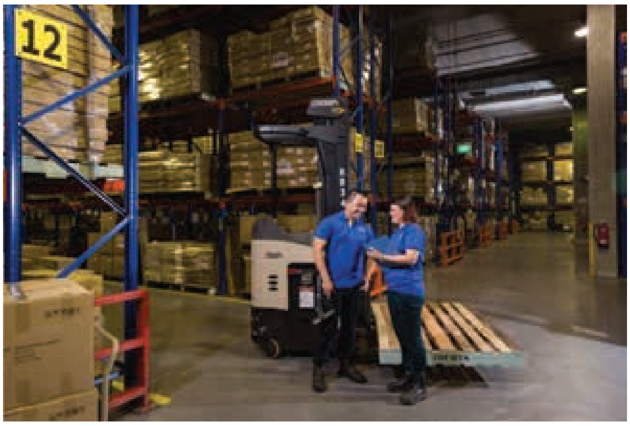
Operations Review

A Brand That Connects

Building on the success of the Group's '*Senang Sahaja, COURTS Ada*' brand campaign last year, COURTS Malaysia extended its promise to further deliver a better retail experience through the launch of the COURTS '*Memang Senang*' brand campaign. The campaign aimed to strengthen the Group's commitment to provide great store experiences, better customer service and more value pricing. Well-loved local comedian Harith Iskander was appointed Brand Ambassador for the second consecutive year, together with a new addition for COURTS, local celebrity Lisa Surihani.

Multi-Channel & Supply Chain Improvements

The Group attracted over 1 million visitors to its COURTS online store in Malaysia in FY16/17. Starting in August 2016, to further drive traffic and sales in a competitive online marketplace, the Group partnered with leading brands such as Samsung, Apple, Sony, Huawei, Nikon and GoPro to launch portal-in-portal sites and offer online-exclusive campaigns that extend to new product launches. Additionally, following the appointment of Li & Fung as COURTS' primary third-party logistics provider two years ago, COURTS Malaysia continues to reap the benefits of cost savings and improved customer experience.



COURTS Asia regularly monitors and reviews its back-end warehousing and logistics support systems to consistently deliver on its delivery proposition.

INDONESIA: DRIVING STORE PRODUCTIVITY IMPROVEMENT AND CREDIT

COURTS Indonesia continues to drive credit sales through a series of store format reviews and marketing initiatives. In line with the Group's strategy of driving store productivity, operational efficiency and innovation, COURTS Indonesia continues to sub-lease its floor space to various complementary brands. This move also serves to enhance the Megastores as retail entertainment hubs.

Four 'pop-up' stores were opened during the year in review and COURTS Indonesia made steady progress in growing its retail footprint by placing focus on growing the number of its smaller format stores. Three stores were opened during FY16/17, increasing the Group's total retail space by 40,000 square feet, and bringing COURTS Indonesia's total number of permanent stores to eight, excluding 'pop-up' stores.

New stores opened include:

- COURTS Ciledug, Tangerang City (October 2016)
- COURTS Ciputat, South Tangerang (October 2016)
- COURTS Bogor Trade Mall (December 2016)
- Four 'pop-up' stores across Greater Jakarta area (As at 31 March 2017)

COURTS Indonesia also launched its e-commerce website in April 2017.

COURTS Bogor Trade Mall, opened in December 2016.

In line with the Group's productivity improvement drive for its Megastores, COURTS Indonesia welcomed on board new tenant and leading fashion retailer Ramayana in December 2016 into its Megastore in Kota Harapan Indah, alongside existing anchor tenant Super Indo.

COURTS Indonesia continues to grow and diversify its credit offerings, including starting a trial of its door-to-door credit sales programme.

The Group intends to grow by a minimum of five stores in Indonesia in the new financial year to increase market share.

Home Expertise At Your Beck And Call

Financial Highlights

Financial year ended 31 March	2016 (As previously reported)	2016 (As restated)*	2017
INCOME STATEMENT ($'000)			
Revenue	770,367	751,889	**740,539**
Profit before tax	29,420	11,888	**31,679**
Net profit	20,278	6,831	**23,743**
EBITDA	65,946	48,414	**62,677**
BALANCE SHEET ($'000)			
Property, plant and equipment	24,792	24,792	**20,906**
Intangible assets	23,580	23,580	**23,231**
Net current assets	198,468	153,573	**237,096**
Total equity	291,864	216,298	**218,530**
Share capital	265,332	265,332	**265,332**
Retained profits	79,515	145	**17,217**
PER SHARE INFORMATION (cents)[1]			
Earnings per share – Basic			
Before tax	5.55	2.24	**6.13**
After tax	3.82	1.29	**4.59**
Earnings per share – Diluted			
Before tax	5.50	2.22	**6.03**
After tax	3.79	1.28	**4.52**
Dividend per share	1.29	1.29	**1.29**[2]
Net assets per share	55.8	41.4	**42.5**
KEY RATIOS			
Gearing Ratio[3]	56.0%	63.2%	**58.2%**
EBITDA Margin	8.6%	6.4%	**8.5%**
Return on shareholder's equity(%)			
Before tax	10.1%	5.5%	**14.5%**
After tax	6.9%	3.2%	**10.9%**
Dividend cover (number of times)[4]	3.01	1.02	**3.58**
Sales per square foot[5]			
Singapore (S$)	932	1,079	**1,041**
Malaysia (RM)	437	682	**693**
Indonesia (IDR'000)	895	1,305	**1,047**
Store area at end of year – Group (square foot)	1,716,938	1,716,938	**1,761,871**
Weighted average store area – Group (square foot)	1,612,235	1,612,235	**1,691,771**

Notes

(1) Number of shares (excluding treasury shares) as at 31 March 2017 is 513,722,888, number of diluted shares (excluding treasury shares) as at 31 March 2017 is 522,238,188.

(2) Dividend per share included proposed final cash dividend of 1.29 cents per ordinary share.

(3) Gearing ratio is calculated as borrowings divided by total capital. Total capital is calculated as equity plus borrowings.

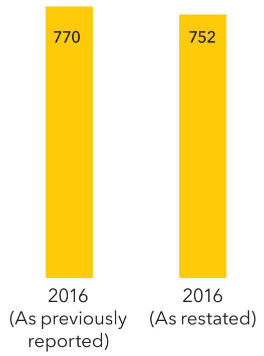
(4) Dividend cover is the ratio of profit attributable to equity holders to proposed final dividends.

(5) FY2016 restated and FY2017 sales per square foot are based on weighted average store square footage and total revenue of each country for each financial year.

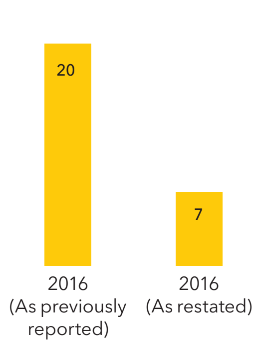
All numbers are in Singapore Dollar (S$) unless otherwise stated.

*Note: The FY15/16 comparative figures have been restated to take into account (i) the retrospective adjustments arising from the adoption of FRS 115 – Revenue From Contracts With Customers (ii) there is reclassification of expense line items which has no impact on Group's profit before tax or net profit arising from these reclassification.

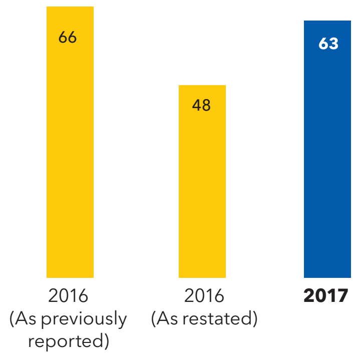
TOTAL REVENUE ($'m)



NET PROFIT ($'m)

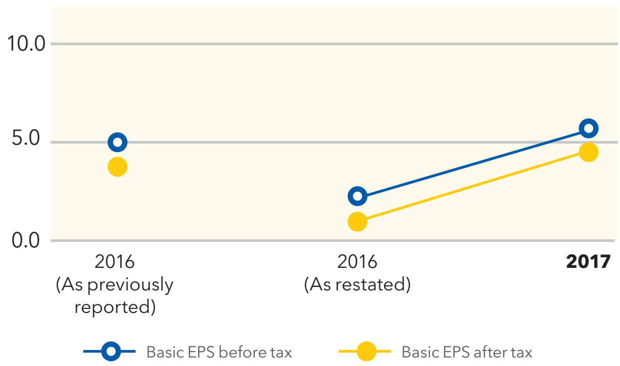


EBITDA ($'m)



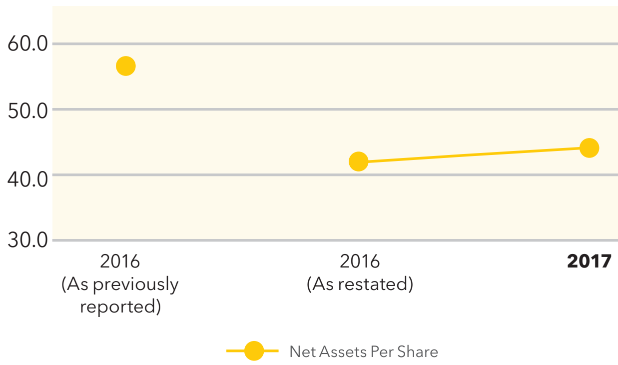
Note: EBITDA is calculated as profit before tax add finance expense and depreciation and amortisation expense.

EARNINGS PER SHARE (cents)



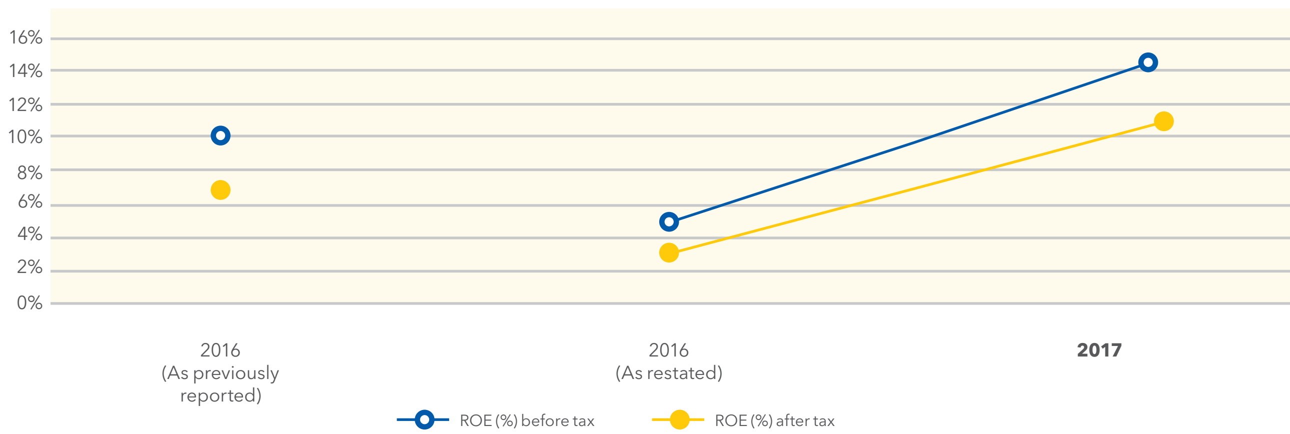
Note: Number of shares (excluding treasury shares) as at 31 March 2017 is 513,722,888. The weighted average ordinary shares for the twelve months ended 31 March 2017 were 516,847,856.

NET ASSETS PER SHARE (cents)



Note: Number of shares (excluding treasury shares) as at 31 March 2017 is 513,722,888.

RETURN ON EQUITY (%)



Note: Number of shares (excluding treasury shares) as at 31 March 2017 is 513,722,888.

Performance Review

Financial year ended 31 March 2017

OVERALL PERFORMANCE

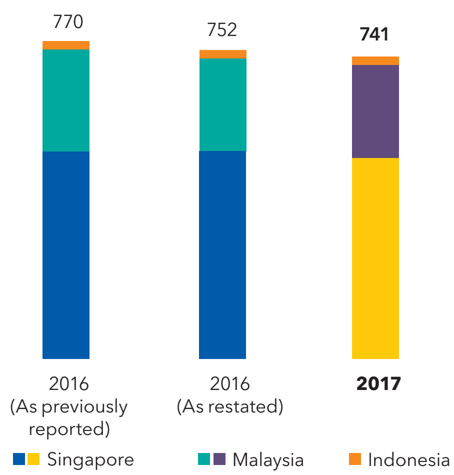
The Group's revenue of $740.5 million for FY16/17 was 1.5% or $11.4 million lower than FY15/16.

Singapore revenue, which contributed to 66.3% of the Group's revenue in FY16/17, reported a decrease of 2.7% compared to FY15/16 mainly due to lower sales of goods offset by higher earned service charge income.

Malaysia revenue, which contributed to 30.3% of the Group's revenue, reported a 3.1% (in presentation currency) decrease and a 1.6% (in RM currency) increase in FY16/17 as compared to FY15/16 mainly due to lower sales of goods offset by higher earned service charge income.

Indonesia revenue, which contributed to 3.4% of the Group's revenue, registered a 59.2% (in presentation currency) and 57.0% (in Rupiah currency) increase in FY16/17 compared to FY15/16 mainly due to contributions from newly opened stores.

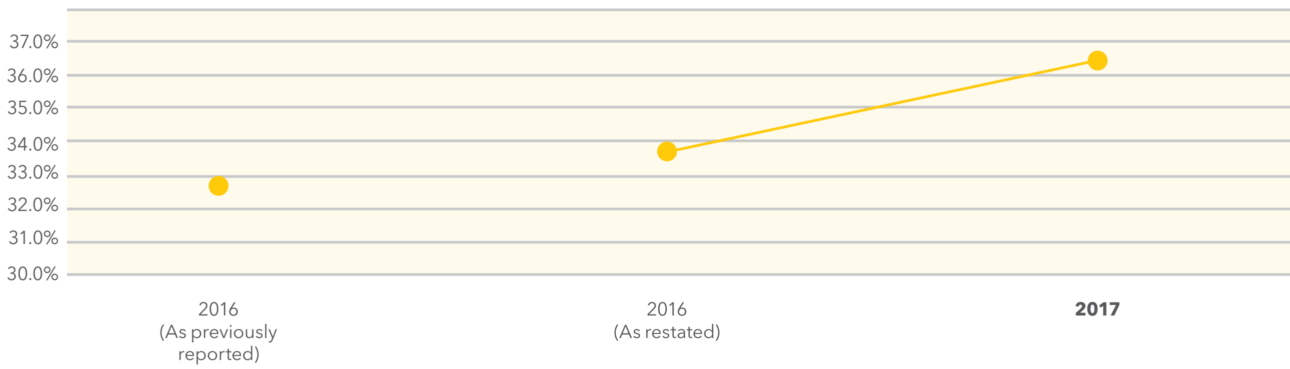
NET REVENUE BY GEOGRAPHY ($'m)



GROSS PROFIT

Gross profit for FY16/17 increased by 5.7% or $14.4 million resulting from higher gross profit margins compared to FY15/16. Gross profit margin increased to 36.3% in FY16/17 from 33.8% in FY15/16, mainly a result of higher earned service charge income and higher merchandise margin for the Group.

GROSS PROFIT MARGIN (%)



All numbers are in Singapore Dollar (S$) unless otherwise stated.

Note: The FY15/16 comparative figures have been restated to take into account (i) the retrospective adjustments arising from the adoption of FRS 115 – Revenue From Contracts With Customers and (ii) the reclassification of expense line items which has no impact on the Group's profit before tax and net profit arising from these reclassification

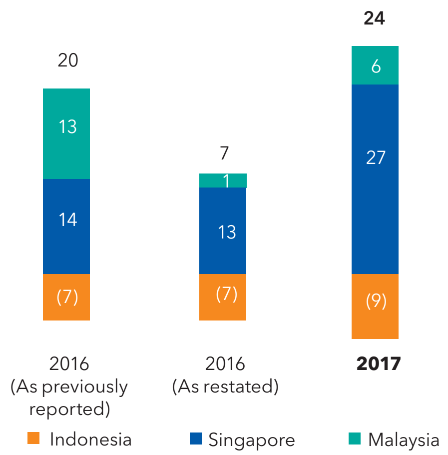
NET PROFIT

The Group registered a net profit of $23.7 million in FY16/17 compared to a restated net profit of $6.8 million in FY15/16.

Singapore recorded a higher net profit of $27.6 million in FY16/17, an increase of 119.0% against $12.6 million in FY15/16. The improved performance was on the back of an increase in gross profit and better cost management. The cost improvement mainly resulted from lower impairment allowance on trade receivables and lower operating and finance costs.

Malaysia reported a higher net profit of RM17.2 million, an increase of 454.8% against RM3.1 million in FY15/16. The increase in net profit when converted into Singapore Dollar was 427.3%, from $1.1 million in FY15/16 to $5.8 million in FY16/17, as a result of the depreciation of the Malaysia Ringgit against the Singapore Dollar. The increase in net profit is mainly due to higher gross profit, better cost management of its operations and lower exchange loss. This is mainly offset by higher impairment allowance on trade receivables.

NET PROFIT BY GEOGRAPHICAL LOCATION
(S$'m)



Indonesia reported a net loss of IDR87.3 billion in FY16/17 compared to a net loss of IDR68.9 billion in FY15/16 ($9.1 million and $6.9 million respectively in presentation currency). The increase in net loss was attributed mainly to the full year's related costs from BSD City Megastore (BSD City Megastore opened only in January 2016 in the last financial year). Indonesia continues to expand its operations so as to achieve economies of scale.

EXPENSES

The Group's expenses, excluding finance costs, increased slightly by 0.3% to $221.6 million for the year in review. The slight increase in expenses was mainly due to higher impairment allowance of trade receivables in Malaysia and Indonesia and increased rental cost for newly opened stores in Indonesia, offset by lower advertising expenses, a reversal of overpayment on GST for previous years and lower branch operating expenses in Singapore.

With the reduction in turnover in FY16/17, the expenses-to-turnover ratio, excluding finance costs, has increased to 29.9% from 29.4% for the year.

The Group's finance costs decreased by S$4.8 million to $20.8 million in FY16/17 from $25.6 million in FY15/16 mainly due to lower exchange loss and lower interest expenses in Singapore, offset by higher interest expenses in Indonesia and Malaysia due to increase in bank borrowings. The Group's cost of borrowing (excluding commitment fee) for the financial year ended FY16/17 was 5.5% (FY15/16: 5.4%).

EBITDA

The Group's EBITDA increased from $48.4 million in FY15/16 to $62.7 million in FY16/17, mainly due to increased operating profit reported by Singapore and Malaysia, which increased by 39.8% and 2.5% respectively. The increase is offset by the operating loss from Indonesia subsidiary.

Earnings per share and return on equity for FY15/16 and FY16/17 were as follows:

	2016 (As previously reported)	2016 (As restated)	**2017**
Earnings per share			
(a) Basic earnings per share (cents)	3.82	1.29	**4.59**
(b) Fully diluted earnings per share (cents)	3.79	1.28	**4.52**
Return on equity (before income tax)			
Return on equity (%)	10.1%	5.5%	**14.5%**

As at 31 March 2017, the total number of shares in issue (excluding treasury shares) in the Company was 513,722,888 ordinary shares (as at 31 March 2016: 522,692,346 ordinary shares) with 46,277,112 shares (as at 31 March 2016: 37,307,654 shares) held as treasury shares.

In FY16/17, the Company purchased 9,403,900 of its own shares for a total consideration of S$3.7 million by way of market acquisition.

In the same financial period, 434,442 treasury shares at fair value of $0.19 million were awarded pursuant to Performance Share Plan and for Director Fees.

Performance Review

Financial year ended 31 March 2017

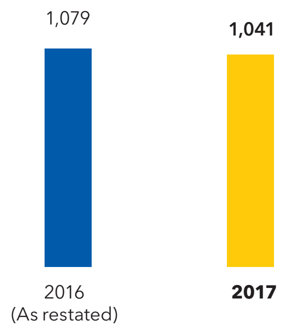
SALES RATIOS

1) Sales Per Square Foot

Sales per square foot for Singapore decreased from $1,079 in FY15/16 to $1,041 in FY16/17 while Malaysia reported an increase from RM682 in FY15/16 to RM693 for the year in review. Malaysia has 69 stores in its network after opening seven new stores and closing two unprofitable stores in FY16/17. The new stores opened this year were mainly located in Northern Malaysia such as Jitra (Kedah), Kuala Kangsar and Jelapang (Perak), Pasir Tumboh (Kelantan) and Semenyih (Selangor) as well as Karamunsing and Bandar Riyal in Eastern Malaysia (Sabah and Sarawak respectively). The total store count for Singapore remained at 15 with the opening of the Tiong Bahru and closure of the Funan DigitaLife Mall stores.

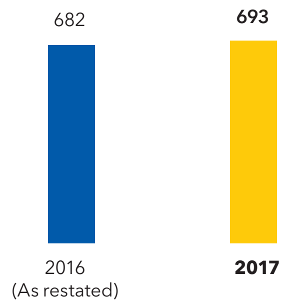
Since the initial entry into Indonesia on October 2014 with the launch of its first Megastore in Kota Harapan Indah, Bekasi, East of Jakarta, the Group has opened a second Megastore in BSD City Serpong, Southwest of Jakarta in January 2016. Indonesia has a total of eight stores in its expanding network after opening another three new stores in FY16/17. In addition, Indonesia opened four 'pop-up' stores in the financial year under review.

SALES PER SQUARE FOOT – SINGAPORE (S$)



Note: Based on weighted average retail square footage and total net sale for each financial year.
Indonesia – not significant

SALES PER SQUARE FOOT – MALAYSIA (RM)

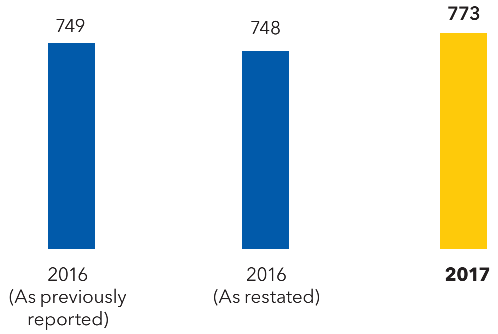


Note: Based on weighted average retail square footage and total net sale for each financial year

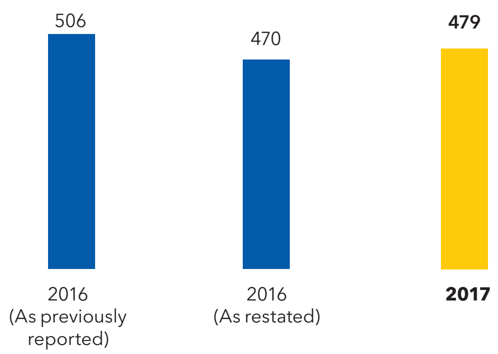
2) Sales Per Employee

Sales per employee for Singapore increased from $748,000 in FY15/16 to $773,000 in FY16/17, while Malaysia reported an increase from RM470,000 in FY15/16 to RM479,000 for the year in review. The sales per employee ratios for Singapore and Malaysia increased by 3.4% and 1.9% respectively in local currency terms compared to the previous financial year.

SALES PER EMPLOYEE – SINGAPORE ($'000)



SALES PER EMPLOYEE – MALAYSIA (RM'000)

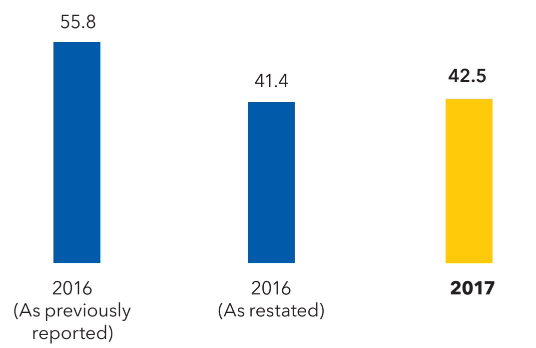


Indonesia – not significant

NET ASSETS PER SHARE

The net assets per share increased to 42.5 cents from 41.4 cents mainly due to the profit reported for the year in review and the lower number of issued shares (excluding treasury shares) as a result of share buyback exercise carried out during FY16/17.

NET ASSETS PER SHARE (cents)



Note: The FY15/16 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of FRS 115 – Revenue From Contracts With Customers.

DIVIDEND

The Board has proposed a final dividend of 1.29 cents per share. This is consistent with the payout for the last two financial years. This will be presented to shareholders for approval at the Annual General Meeting on 10 August 2017. The annual dividend cover is 3.6 times.

Based on the average share price of 40.8 cents in FY16/17, the dividend yield for the year was 3.2%.

TOTAL ASSETS

TOTAL ASSETS (%)

The Group's trade and other receivables (current and non-current) is relatively stable amounting to $487.0 million as at 31 March 2017 as compared to $487.1 million as at 31 March 2016.

Allowance for impairment of trade receivables as at 31 March 2017 was $26.1 million, representing 5.4% of trade receivables, as compared to $21.8 million as at 31 March 2016 representing 4.5% of trade receivables.

Performance Review

Financial year ended 31 March 2017

CASH FLOW

	2016 (As previously reported) $'000	2016 (As restated) $'000	**2017 $'000**
Cash and cash equivalents	147,509	147,509	**98,728**
Borrowings	(371,187)	(371,187)	**(304,015)**
Short term borrowings	131,036	131,036	**547**
Long Term borrowings	240,151	240,151	**303,468**
Net borrowings	(223,678)	(223,678)	**(205,287)**

Cash and bank balances decreased by $48.8 million to $98.7 million as at 31 March 2017 from $147.5 million as at 31 March 2016, mainly as a result of the repayment of the S$125 million 3-year unsecured fixed rate note in May 2016 and the payment of dividends in August 2016, offset by additional drawdowns in bank borrowings.

The total borrowings of $304.0 million (31 March 2016: $371.2 million) consisted of S$75 million 3-year unsecured fixed rate notes and term loan in COURTS Asia Ltd ("CAL"), the Asset Securitisation Programme 2016 in Singapore, Syndicated Senior Loan in Malaysia, and term loans in Indonesia. The decrease was mainly due to the repayment of the S$125 million 3-year unsecured fixed rate notes in May 2016 and offset by additional drawdowns in bank borrowings.

SERVICE CHARGE INCOME

Service charge income relates to charges arising from the sale of goods under credit schemes. During the financial year under review, service charge income increased by 11.9% to $83.4 million due to higher credit sales. This included $60.9 million from FY15/16 unearned service charges being recognised as earned service charges in FY16/17.

The Group's credit sales provide its customers with a significant benefit of financing the goods and services sold. The Group earns service charge income arising from the provision of this significant financing benefit to its customers.

In previous reporting periods, service charge income on the Group's credit sales was recognised over the credit period at a constant periodic rate of return on the outstanding receivables after deducting the incremental costs directly attributable to the acquisition of credit sales.

Under FRS 115, when a transaction contains a significant financing component, the transaction price is required to be adjusted using a discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. That rate would reflect the credit characteristics of the party receiving financing in the contract.

	2016 (As previously reported) $'000	2016 (As restated) $'000	**2017 $'000**
Service charge income arising from current financial year's credit sales	147,882	93,999	**94,081**
Less: Unearned service charges arising from current financial year's credit sales deferred to future periods	(35,587)	(72,717)	**(71,582)**
Add: Prior financial years' unearned service charges now recognised as service charge income	31,506	53,192	**60,873**
Service charge income for the financial year	143,801	74,474	**83,372**

Note: The FY15/16 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of FRS 115 – Revenue From Contracts With Customers.

UNEARNED SERVICE CHARGES

As at 31 March 2017, unearned service charges were $121.5 million, an increase of $1.2 million from previous financial year. The unearned service charges comprised service charges of $59.9 million to be recognised within one year and service charges amounting to $61.6 million to be recognised after one year. The unearned service charges of $121.5 million will flow into future financial years as earned service charges.

	1 April 2015 (As previously reported)	31 March 2016 (As previously reported)	1 April 2015 (As restated)	31 March 2016 (As restated)	**31 March 2017**
	$'000	$'000	$'000	$'000	**$'000**
Amount to be recognised within one year	31,506	28,857	53,192	60,873	**59,871**
Amount to be recognised after one year	34,523	36,472	54,496	59,380	**61,625**
Unearned service charges	66,029	65,329	107,688	120,253	**121,496**

Note: The FY15/16 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of FRS 115 – Revenue From Contracts With Customers.

OTHER SERVICES INCOME – DEFERRED REVENUE – NET

As at 31 March 2017, deferred revenue – net were $45.2 million, an increase of $1.7 million from previous financial year.

	1 April 2015 (As previously reported)	31 March 2016 (As previously reported)	1 April 2015 (As restated)	31 March 2016 (As restated)	**31 March 2017**
	$'000	$'000	$'000	$'000	**$'000**
Total deferred revenue – net	–	–	42,106	43,525	**45,216**

EARLY ADOPTION OF FRS 115

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2016 except for (1) the early adoption of FRS 115 Revenue from Contracts with Customers ("FRS 115") for financial year beginning on or after 1 April 2016; and (2) reclassifications of expense line items within the consolidated income statement.

In general, FRS 115 introduces a new revenue recognition model for customer contracts that represents the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to exchange for those goods or services.

In particular, FRS 115 provides clearer guidance on the accounting for revenue from customer contracts containing significant financing components and consideration payable to customers. As credit sales contributes significantly to the Group's revenue and income, the early adoption of FRS 115 allows the Group to reflect the impact arising from the new accounting standard upfront, and also provide the Group with lead time to re-evaluate its future business revenue streams, if necessary.

In addition, the upcoming new accounting standard, FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018) ("FRS 109"), will introduce a new model for determining the impairment of financial assets, and will impact the calculation of impairment of the Group's receivables. As such, the Group considers that it would be prudent to adopt the two new accounting standards in stages, so that it can ascertain the impact on the Group's financials, as well as to avoid a substantial resource crunch involved in adopting the two new accounting standards at once.

The main changes in the early adoption of FRS 115 for the Group are explained below:

(i) Accounting for service charge income from credit sales

<u>Accounting for significant financing component</u>

The Group's credit sales provide its customers with a significant benefit of financing the goods and services sold. The Group earns service charge income arising from the provision of this significant financing benefit to its customers.

In previous reporting periods, service charge income on the Group's credit sales was recognised over the credit period at a constant periodic rate of return on the outstanding receivables after deducting the incremental costs directly attributable to the acquisition of credit sales.

Under FRS 115, when a transaction contains a significant financing component, the transaction price is required to be adjusted using a discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. That rate would reflect the credit characteristics of the party receiving financing in the contract.

Performance Review

Financial year ended 31 March 2017

Accounting for consideration payable to customer

The Group offers promotions on its credit sales, including cashback, vouchers and gift cards. These promotions are only offered to credit customers.

In previous reporting periods, these promotional costs were assessed to be incremental costs that were directly attributable to the acquisition of the credit sales. These costs were included as part of the effective interest calculation for service charge income on credit sales.

Under FRS 115, consideration payable to a customer, such as cashback, vouchers and gift cards, are accounted for as a reduction of the transaction price and therefore, of revenue.

(ii) Accounting for other services income

The Group offers its customers the option of purchasing other services along with the purchase of merchandise. When such service obligations arise, the Group subcontracts these service obligations to third party service providers, thereby transferring the financial risk arising from these obligations to third parties. From time to time, the Group also offers promotions in which other services are provided to customers together with the purchase of merchandise.

In previous reporting periods, revenue from the sale of other services was recognised at the time of sale. The costs incurred for subcontracting these service obligations to third parties were also recognised at the time of sale.

Under FRS 115, revenue is allocated to the service obligations and is deferred and recognised over the period covered by the period of the other services. The cost of subcontracting these service obligations to third party service providers is similarly deferred and recognised over the service period. The unearned revenue from the sale of such other services and the corresponding cost of subcontracting these service obligations are deferred and classified as deferred revenue and deferred costs respectively on the balance sheet.

RECLASSIFICATION OF EXPENSE LINE ITEMS WITHIN THE CONSOLIDATED INCOME STATEMENT

Certain comparative figures in the consolidated income statement have been reclassified to align the classification of cost of sales and expense line items across the Group. There is no impact on the Group's profit before income tax and net profit arising from the reclassification.

SUMMARY OF FINANCIAL IMPACT OF FRS 115 ADOPTION AND RECLASSIFICATION OF EXPENSES

The change in accounting policy and reclassification of expense line items were applied retrospectively and the effects on the Group's prior year reported financial balances arising from (1) the adoption of FRS 115 and (2) the reclassification of expense line items are as follows:

	Consolidated Income Statement For financial year ended 31 March 2016			
	As previously reported S$'000	**Adoption of FRS 115 S$'000**	**Reclassification of expenses S$'000**	**As restated S$'000**
Revenue	770,367	(18,478)	–	751,889
Cost of sales	(517,268)	262	19,124	(497,882)
Gross profit	253,099	(18,216)	19,124	254,007
Other income and other gains/(losses) – net	3,568	–	844	4,412
Expenses				
– Distribution and marketing	(57,305)	–	(4,804)	(62,109)
– Administrative	(144,280)	684	(15,164)	(158,760)
– Finance	(25,662)	–	–	(25,662)
Profit before income tax	29,420	(17,532)	–	11,888
Income tax expense	(9,142)	4,085	–	(5,057)
Net profit	20,278	(13,447)	–	6,831
Basic earnings per share (cents)	3.82	(2.53)		1.29
Fully diluted earnings per share (cents)	3.79	(2.51)		1.28

	Balance Sheet as at 31 March 2016		
	As previously reported S$'000	Adoption of FRS 115 S$'000	As restated S$'000
ASSETS			
Current assets			
Cash and bank balances	147,509	–	147,509
Trade and other receivables	249,178	(29,780)	219,398
Deferred costs	–	8,331	8,331
Inventories	77,815	–	77,815
Current income tax recoverable	428	1,972	2,400
	474,930	(19,477)	455,453
Non-current assets			
Derivative financial instruments	825	–	825
Trade and other receivables	290,327	(22,655)	267,672
Deferred costs	–	10,586	10,586
Property, plant and equipment	24,792	–	24,792
Intangible assets	23,580	–	23,580
Deferred income tax assets	4,968	12,382	17,350
	344,492	313	344,805
Total assets	819,422	(19,164)	800,258
LIABILITIES			
Current liabilities			
Derivative financial instruments	544	–	544
Trade and other payables	139,293	–	139,293
Deferred revenue	–	26,788	26,788
Current income tax liabilities	3,506	(1,370)	2,136
Borrowings	131,036	–	131,036
Deferred income	2,083	–	2,083
	276,462	25,418	301,880
Non-current liabilities			
Derivative financial instruments	272	–	272
Trade and other payables	469	–	469
Deferred revenue	–	35,654	35,654
Borrowings	240,151	–	240,151
Deferred income	2,614	–	2,614
Deferred income tax liabilities	7,590	(4,670)	2,920
	251,096	30,984	282,080
Total liabilities	527,558	56,402	583,960
NET ASSETS	291,864	(75,566)	216,298
EQUITY			
Share capital	265,332	–	265,332
Treasury shares	(16,161)	–	(16,161)
Other reserves	(36,822)	3,804	(33,018)
Retained profits	79,515	(79,370)	145
Total equity	291,864	(75,566)	216,298

Performance Review

Financial year ended 31 March 2017

	Consolidated Statement of Cash Flows For the financial year ended 31 March 2016		
	As previously reported S$'000	Adoption of FRS 115 S$'000	As restated S$'000
Cash flows from operating activities:			
Net profit	20,278	(13,447)	6,831
Adjustments for:			
Income tax expense	9,142	(4,085)	5,057
Depreciation and amortisation	13,462	–	13,462
Amortisation of deferred income	(2,598)	–	(2,598)
Interest expense	21,382	–	21,382
Interest income	(2,484)	–	(2,484)
Amortisation of borrowing costs	1,686	–	1,686
Loss on disposal of property, plant and equipment and intangible assets (net)	576	–	576
Share-based compensation	386	–	386
Foreign currency translation differences	(2,005)	–	(2,005)
Operating cash flow before working capital changes	59,825	(17,532)	42,293
Changes in working capital			
– Inventories	3,545	–	3,545
– Trade and other receivables	(52,305)	14,761	(37,544)
– Deferred costs	–	(213)	(213)
– Trade and other payables	24,715	–	24,715
– Deferred revenue	–	2,984	2,984
Cash generated from operations	35,780	–	35,780
Income tax paid (net)	(6,354)	–	(6,354)
Net cash generated from operating activities	29,426	–	29,426
Cash flows from investing activities			
Additions to property, plant and equipment	(11,265)	–	(11,265)
Acquisition of intangible assets	(1,146)	–	(1,146)
Proceeds from sale of property, plant and equipment	10	–	10
Interest received	2,406	–	2,406
Net cash used in investing activities	(9,995)	–	(9,995)
Cash flows from financing activities			
Proceeds from bond issue	74,468	–	74,468
Repayment of finance lease liabilities	(1,242)	–	(1,242)
Proceeds from term loan	14,699	–	14,699
Repayment of term loan	(472)	–	(472)
Proceeds from syndicated senior loan	30,423	–	30,423
Repayment of loan on asset securitisation	(69,138)	–	(69,138)
Increase in fixed deposits pledged as securities for banking facilities	(3,903)	–	(3,903)
Purchase of treasury shares	(6,110)	–	(6,110)
Interest paid	(18,700)	–	(18,700)
Dividends paid	(6,932)	–	(6,932)
Net cash provided by financing activities	13,093	–	13,093
Net increase in cash and cash equivalents	32,524	–	32,524
Cash and cash equivalents as at beginning of financial year	112,383	–	112,383
Effects of currency translation on cash and cash equivalents	(3,137)	–	(3,137)
Cash and cash equivalents as at end of financial year	141,770	–	141,770

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	For the financial year ended 31 March 2016		
	As previously reported S$'000	Adoption of FRS 115 S$'000	As restated S$'000
Cash and bank balances	72,712	–	72,712
Fixed deposits	74,797	–	74,797
	147,509	–	147,509
Less: Fixed deposits pledged as securities for banking facilities	(5,739)	–	(5,739)
Cash and cash equivalents per consolidated statement of cash flows	141,770	–	141,770

Pick-Up At A Click Of The Button

Board of Directors

Front, from left to right: Dr Terence Donald O'Connor, Mr Jack Hennessy, Ms Kee Kim Eng
Back, from left to right: Mr Chey Chor Wai, Mr Adnan Abdulaziz Ahmed AlBahar, Mr Kewee Kho

Mr Jack Hennessy
Chairman
Non-Independent and Non-Executive Director

Mr Jack Hennessy is a Non-Independent and Non-Executive Director of the Company and the Chairman of the Board of Directors. He has been a Non-Independent and Non-Executive Director of the Company since 12 March 2010, and was last re-elected to the Board of Directors on 27 July 2016. Mr Hennessy has been a Non-Independent and Non-Executive Director of COURTS (Singapore) Pte Ltd ("CSPL") and COURTS (Malaysia) Sdn Bhd ("CMSB") since 2007, Chairman of the Board of Directors of COURTS Singapore Limited ("CSL") since 2007, and Commissioner of PT COURTS Retail Indonesia since 2013. Mr Hennessy is the Chairman of the Remuneration Committee and is also a member of the Audit Committee and the Nominating Committee of the Company. Mr Hennessy is the Managing Director of Baring Private Equity Asia Pte. Ltd., an Asia-focused private equity firm, and also sits on the boards of several of its portfolio companies. Prior to joining Baring Private Equity Asia Pte. Ltd., Mr Hennessy was a General Partner with Allen & Buckeridge, an Australian private equity firm from 1998 to 2000. Between 1992 and 1995, he was a Senior Consultant with Accenture in Asia and the United States of America. Mr Hennessy was an Adjunct Professor at INSEAD from 2006 to 2008 where he taught the Leveraged Buyout (LBO) course. Mr Hennessy holds a Master of Business Administration from INSEAD and Bachelor Degrees in both Engineering (with Honours) and Science from Monash University in Australia.

Dr Terence Donald O'Connor
Executive Director and Group Chief Executive Officer

Dr Terence Donald O'Connor is an Executive Director and Group Chief Executive Officer of the Company. He was appointed to the Board of Directors on 18 January 2010 and was last re-elected to the Board of Directors on 27 July 2016. Dr O'Connor has worked in CSL since 1993. From 1993 to 1997, he was Buying Director – Electrical, from 1997 to 1998, he was CSL's Commercial Director, from 1998 to 2000, he was CSL's Deputy Managing Director, and he assumed the role of Managing Director from 2000 to 2007. From 2007 to March 2011, Dr O'Connor was the CEO of CSPL and assumed the position of CEO in the Company from April 2011. He has served as a Executive Director of CSL since 1995, Non-Executive Director of CMSB since 2007, and President Director of PT COURTS Retail Indonesia since 2013. Additionally, he has served as Director of Assetrust Pte Ltd since 2012, as well as of the Group's subsidiary Companies Home Lifestyle Pte Ltd and Hardware Lifestyle Pte Ltd since 2014 and 2015 respectively. Dr O'Connor is presently the Senior Advisor to the Institute of Advertising Singapore (IAS) and the Regional Chair of the Southeast Asian Chapter of the Young Presidents' Organisation. He was President of the British Chamber of Commerce from 2006 to 2010, and had previously held the role of Honorary Secretary of the Singapore Retailers Association. Dr O'Connor holds a Master of Business Administration degree in Retailing and Wholesaling from the University of Stirling. In June 2010, Dr O'Connor was conferred the title of Officer of the Most Excellent Order of the British Empire by Britain's Queen Elizabeth II for his work in promoting the business interests of the United Kingdom. In 2013, he published a book on his personal and professional journey in retail titled 'Why Not? The Story of a Retail Maverick and COURTS', and was honoured with an Honorary Degree from the University of Stirling in August 2014 in recognition of his outstanding contributions to retailing and British business in Singapore.

Board of Directors

Ms Kee Kim Eng

Executive Director and Group Chief Financial Officer

Ms Kee Kim Eng is an Executive Director and the Group Chief Financial Officer of the Company. She has been an Executive Director on the Board of Directors since 12 March 2010. She will stand for re-election to the Company's Board of Directors at the upcoming Annual General Meeting ("AGM"). She has been on the Board of Directors of CSPL since 31 May 2012, and is also a Director of Assetrust Pte Ltd. She is responsible for overseeing the overall financial functions of the Group. Ms Kee has more than 25 years of experience, having held positions in various public listed companies from a diverse range of industries. Prior to her current appointment, she was Strategic Planning Director at CSL in 2008, where she was responsible for managing strategic projects. From December 2003 to 2008, she held the concurrent positions of Deputy Managing Director, Finance Director and Company Secretary at CSL where she was in charge of, among others, financial, accounting and administration functions, including strategic planning in these areas. From 1998 to 2003, she was both the Finance Director and Company Secretary, and from 1996 to 1998, she was Financial Controller at CSL. Ms Kee is a certified public accountant, a Fellow of the Association of Chartered Certified Accountants of the United Kingdom, and a member of the Singapore Institute of Directors, Institute of Singapore Chartered Accountants as well as CPA Australia.

Mr Adnan Abdulaziz Ahmed AlBahar

Non-Independent and Non-Executive Director

Mr Adnan Abdulaziz Ahmed AlBahar is a Non-Independent and Non-Executive Director and has been in the Board of Directors since 2 December 2016. He will stand for re-election to the Company's Board of Directors at the upcoming AGM. Mr AlBahar is the Chairman and Chief Executive Officer of The International Investor, an investment and finance firm, and has held this position since September 1992. Prior to setting up The International Investor, Mr AlBahar was the Managing Director of AlRajhi Co. Islamic Investment – London, and before that the General Manager of Kuwait Finance House, Kuwait. A graduate of the American College of Switzerland in 1997 in International Business, Administration and Economics, Mr AlBahar is also a member of the Kuwait Higher Planning Board.

Mr Chey Chor Wai

Independent Non-Executive Director

Mr Chey Chor Wai is an Independent Non-Executive Director of the Company and has been in the Board of Directors since 27 September 2012. Mr Chey is the Chairman of the Audit Committee, and a member of the Remuneration Committee and the Nominating Committee of the Company. He will stand for re-election to the Company's Board of Directors at the upcoming AGM. He started his career with Coopers & Lybrand in Singapore upon graduation in 1976, and assumed various positions at the offices of Coopers & Lybrand in London, Singapore and New York between 1979 and 1994. He was admitted as a partner of Coopers & Lybrand in 1989. In 1995, he was seconded to be the Managing Partner of Coopers & Lybrand CIEC Beijing office. He returned to the Singapore office of Coopers & Lybrand in 1998 and remained as an assurance partner until his retirement in 2008, during which time Coopers & Lybrand merged with Price Waterhouse to form PricewaterhouseCoopers LLP. Mr Chey holds a Bachelor of Accountancy degree from the University of Singapore (now known as the National University of Singapore). He has also been a Fellow of the Institute of Singapore Chartered Accountants since 2004, a Fellow of CPA Australia since 2005 and a Fellow of the Association of Chartered Certified Accountants of the United Kingdom since 2006. He became a Certified Information Systems Auditor (CISA) in 1985. Mr Chey is also an Ordinary Member of the Singapore Institute of Directors. He is a Board Member of the InfoComm Media Development Authority of Singapore, and the lead Independent Director of Isetan (Singapore) Limited. His other principal commitment is as a Council member and member of the EXCO of Dover Park Hospice. Mr Chey was conferred the Public Service Medal (PBM) by the President of Singapore in 2014.

Mr Kewee Kho

Independent Non-Executive Director

Mr Kewee Kho is an Independent Non-Executive Director and has been on the Board of Directors since 27 September 2012. Mr Kho is the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. He was last re-elected to the Board of Directors on 31 July 2015. Mr Kho was Director at SBI Ven Capital Pte Ltd, a financial services and investment group from 2014 to 2016, Corporate and Business Development Consultant for JSCL Investments Pte Ltd and Homestay Residences Pte Ltd from 2011 to 2012, Managing Director at Alpha Advisory Pte Ltd, a boutique investment banking firm from 2009 to 2010. Prior to this, Mr Kho headed Capital Markets, Investment Banking, at HL Bank in Singapore from 2006 to 2008. He was previously with securities and investment broking group, Kim Eng Securities Pte Ltd, from 2000 to 2006 as Vice President of Business Development. Before returning to Asia, Mr Kho was in Chicago as Consultant at Deloitte & Touche LLP and IPC Group, LLC, both in financial advisory services. Mr Kho graduated with a Bachelor of Science in Business from Indiana University in 1995. Mr Kho is an Ordinary Member of the Singapore Institute of Directors and also serves on the board of Lee Metal Group Ltd.

Senior Management

Dr Terence Donald O'Connor and Ms Kee Kim Eng are the Group Chief Executive Officer and Group Chief Financial Officer respectively. Please refer to 'Board of Directors' for details of their work experience and qualifications.

Front, from left to right: Ms Kiran Kaur, Mr Ben Tan, Dr Terence Donald O'Connor, Ms Kee Kim Eng
Back, from left to right: Mr Chan Yuen Kiong, Mr Dolf Posthumus, Mr Tim Luce, Mr Roy Santoso, Mr Stan Kim

Mr Tim Luce

Group Chief Operating Officer

Mr Tim Luce is the Group Chief Operating Officer. From 2014 to 2015, he was the Group Chief Marketing Officer and CEO of CMSB. He was previously the CEO of CSPL from 2013 to 2014, and Group Director of Retail from 2011 to 2013, overseeing retail commercial activities in Singapore and Malaysia. He joined CSPL in 2011 as Country Director of Singapore. Mr Luce's experience in the retail industry spans 20 years. He was previously Managing Director from 1994 to 2007 of Lenteur Pty Ltd and General Manager from 2007 to 2008 for Lifestyle Appliances' New South Wales operations in Australia, before assuming the position of General Manager at Goldmark Pty Ltd from 2008 to 2010, and then General Manager at Lovisa Pty Ltd from 2010 to 2011.

Mr Chan Yuen Kiong

Group Chief Credit Officer

Mr Chan Yuen Kiong is the Group Chief Credit Officer. Prior to his appointment, he was the Group Regional Credit Director – Consumer Credit/Credit Management. He previously held the position of Credit Director in CMB where he was responsible for credit, collections and portfolio management within the company. Before joining COURTS, Mr Chan was the CEO of Denrich Corporation Sdn Bhd, a construction, building and engineering firm. From 1998 to 2002, he held the position of Country Manager and Head of Consumer Services at American Express (M) Sdn Bhd in Malaysia. From 1994 to 1998, Mr Chan held the positions of Business Controller, Head of Bankcard Head Business and Head of Operations and Technology at Citibank Berhad. Mr Chan is qualified under the Chartered Institute of Management Accountants programme.

Ms Kiran Kaur

Group Chief Talent and Customer Service Officer

Ms Kiran Kaur is Group Chief Talent and Customer Service Officer. From 2007 to 2013, she was the Regional Human Resource Director for the Group, and was the Human Resource Director of CSL from 2002 to 2007. Prior to that, she was the Customer Service Controller of CSL from 1997 to 2001. Within the Customer Service portfolio, she also covered the areas of Warehouse and Logistics, and Quality Control.

Senior Management

Mr Stan Kim

Group Chief Innovation Officer

Mr Stan Kim is Group Chief Innovation Officer. He joined COURTS as Group Chief Information Officer in 2015, serving as Country CEO of CSPL from 2016 to 2017, and assuming his current role in April 2017. Prior to COURTS, he was Managing Director at Wilko Asia from 2014 to 2015, and Managing Director at DSG International Sourcing from 2011 to 2014. Mr Kim held several positions in Dixons Retail Limited from 2008 to 2011, which included Supply Chain Director in 2008 and Merchandise & Distribution Planning Director for UK & Ireland from 2009 to 2010. Later, he was appointed Group Merchandise Development Director from 2010 to 2011, and then assumed the role of Dixons Travel (Airports) Operations Development Director in 2011. From 2003 to 2008, he was Head of Customer Side Supply Chain at Samsung Data Systems, and before that, Senior Gas and Electricity Consultant at Accenture Consulting from 1998 to 2003.

Mr Ben Tan

Country CEO of COURTS (Singapore) Pte Ltd

Mr Ben Tan is Country CEO of CSPL. He joined COURTS as Designate Country CEO in January 2017, assuming his current role as Country CEO of CSPL in April 2017. Prior to COURTS, Ben headed Andios Pte Ltd, a Challenger subsidiary, as its CEO from 2015 to 2016, and prior to that served as the Chief Operating Officer (COO) of Challenger Technologies (Singapore) from 2012 to 2015. Before Challenger, Ben spent almost 17 years with Microsoft in various country and regional leadership roles, including the last held position of General Manager, Retail Sales & Marketing for Microsoft (APAC), from 2005 to 2012.

Mr Dolf Posthumus

Country CEO of COURTS (Malaysia) Sdn Bhd

Mr Dolf Posthumus is Country CEO of CMSB. He joined COURTS in his current position in January 2017. Prior to this, he was the Head of Operations of Giant (West Malaysia), having spent a total of 11 years in Malaysia in leadership roles for the group including Head of East Malaysia and Regional Manager, Giant Hypermarkets. Before Giant, he held leadership positions in Shoprite and Massmart-Game in South Africa.

Mr Roy Santoso

Country CEO of PT COURTS Retail Indonesia (January 2013 to July 2017)

Mr Roy Santoso was the Country CEO of PT COURTS Retail Indonesia from January 2013 to July 2017. Following that, he continues to serve as an Advisor on a contract basis. Before he joined COURTS, he was the Managing Director of PT Electronic City Indonesia from 2007 to 2012. Between 2003 and 2004, he helmed his own business in the food and beverage industry, which he eventually sold. From 2001 to 2003, he was the Director of Equities (Institutional Desk) at Kim Eng Securities, and an Associate Director at Bahana Securities from 1996 to 2001.

Mr Joe Greenway

Country CEO of PT COURTS Retail Indonesia

Mr Joe Greenway is the Country CEO of PT COURTS Retail Indonesia. Prior to COURTS, he held the position of Chief Operating Officer at Fantastic Furniture in Australia. Before he joined Fantastic Furniture, he was with COURTS for 28 years and held various leadership roles in the Group, including serving as Deputy Country Director of CMSB from 2009 to 2012, Regional Director from 2007 to 2009, and Commercial Director of Financial Services of CSL from 2005 to 2007. He also served as Regional IT director of CSL from 2001 to 2005 and IT director of COURTS Plc from 1987 to 2001.

Sustainability Report

Today, COURTS monitors its performance in corporate sustainability in five key pillars – Corporate Social Responsibility (CSR), Environmental Impact Management, Developing and Retaining Human Capital, Risk Management and Customer Satisfaction.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As one of the leading retailers in Southeast Asia, COURTS is committed to being a socially responsible corporate citizen that leverages its core competencies, network and resources to leave a positive and profound impact on the community. Some of the causes COURTS is passionate about include helping children, families and the elderly in need, giving to the special needs community as well as supporting football locally.

In recognition of its commitment to giving back to the community, COURTS has been presented various awards in the past including 'Best Efforts in Corporate Social Responsibility' at the Singapore Retailers Association (SRA) Retail Awards. As a Founding Member of the National Volunteer & Philanthropy Centre and Singapore Business Federation's 'Company of Good' programme, COURTS participates in community dialogues and sharing sessions to help businesses give better.

Volunteering, Donating & Contributing to Society

As part of its CSR and employee engagement strategy, COURTS ensures there are regular and ample opportunities for the company and its staff to give back and connect with the local community in each of its markets of operation.

In Singapore, COURTS collectively donated over S$27,000 worth of household furnishings and products in FY16/17 to needy families and charitable organisations. This included partnering with local non-profit organisation Children's Wishing Well, which focuses on outreach to needy children, to organise an employee volunteering effort. Employees came together to cook meals for 20 needy families in June 2016 and donated household furniture, electrical appliances and food items to low-income homes. In addition to this, COURTS sponsored the Society for Physically Disabled's (SPD) "Let's Focus on Inclusion" photography contest, which raised awareness of the special needs community through photography, sponsoring photography equipment as prizes and loaning its Tampines Megastore atrium as a venue for the roving photo exhibition in March 2017. Leveraging its competencies in credit lending, COURTS also mentored and assisted youth non-profit organisation Heartware Network's development of and application materials for its entrepreneurial loan programme, Youth Business Singapore.

COURTS Singapore also actively encouraged employee donations, matching donations dollar-for-dollar and raising over S$15,000 collectively for the Aceh earthquake relief effort in December 2016 and the Malaysia floods in January 2017.

COURTS Singapore cooked hot meals for and donated household furniture, appliances and food items to low-income families during the month of Ramadan in June 2016.

Winning submission for the SPD's "Let's Focus on Inclusion" Contest (Photo Credit: Wong Chek Poh)

Corporate volunteerism and giving efforts likewise extend to COURTS Malaysia. COURTS continued its charitable and community outreach efforts through its *Rumah Amal COURTS* (COURTS Charity House) programme launched in March 2015, in partnership with 1Malaysia for Youth (iM4U), a non-profit organisation that cultivates youth volunteerism. In FY16/17, COURTS Malaysia reached out to a record 50 homes and charitable organisations, donating a total of over RM 300,000 worth of home furnishings and appliances. These spanned homes across East, West and Peninsular Malaysia that benefit the needy, elderly and children, as well as persons with disabilities.

COURTS Malaysia's Rumah Amal COURTS *(COURTS Charity House) celebrated its 50th home contribution for FY16/17 in January 2017.*

Similarly, in Indonesia, COURTS organised a company-wide CSR effort during the Hari Raya period. Every store in COURTS Indonesia, as well as office colleagues in the support centre team, invited children from neighbouring orphanage institutions to their stores to receive cash and product donations, and celebrate and share in the Hari Raya spirit and blessings on this important occasion. Over 400 employees participated in this heartwarming event.

COURTS Indonesia organised a company-wide giving event during Hari Raya in June 2016, with over 400 employees participating in a giving effort to neighbouring orphanages.

Signature Annual Corporate Fundraising Events

COURTS' corporate giving efforts are anchored by two stalwart annual fundraising events, the *COURTS Charity Golf Tournament* and the themed *COURTS and O'Connors & Friends Charity Party*. Both annual events rotate support for various local charities, and have raised over S$4.5 million for 24 charities and non-profit organisations since the charity dinner's inception in 2002. This year's charity events raised a milestone amount of S$518,000, the highest in the company's fundraising history, for three charities.

The first event, the *COURTS Charity Golf Tournament*, has been taking place for 10 years, with this year's edition taking place in September 2016. This year's golf charity took place at the Laguna National Golf & Country Club, rallying together the generous support of over 100 golfers and their companies, and raising precious funds for Cerebral Palsy Alliance Singapore. The funds raised contributed to the non-profit organisation's efforts to support those with cerebral palsy.

The *COURTS and O'Connors & Friends Charity Party* was subsequently held in November 2016 at Raffles Town Club, with over 500 guests, raising funds for The Red Pencil (Singapore) and Down Syndrome Association Singapore. The funds raised aided the Down Syndrome Association's efforts to help and support children and youth with Down Syndrome integrate seamlessly into society. The funds also went towards The Red Pencil's humanitarian missions and projects to support children and their families through art therapy.

Sustainability Report

COURTS & O'Connors & Friends Charity Party in November 2016 raised S$363,000 for Down Syndrome Association and The Red Pencil (Singapore).

ENVIRONMENTAL IMPACT MANAGEMENT

COURTS is committed to being a good corporate citizen that cares for the environment it operates in, and actively implements sustainable practices to minimise impact to the environment, without compromising benefits to stakeholders.

The Group continues to work with responsible global suppliers to promote eco-efficient strategies as part of doing business the green-way and observes good practices to conserve electricity and water as well as support recycling efforts in its day-to-day operations. These practices include:

- Monitoring and optimising electricity and water usage in stores on a month by month basis, and sharing best practices and reminders with stores that exceed typical monthly usage.
- Developing and implementing a zoning plan to enable employees to use lights specific to their work area.
- Extending electricity usage reduction to carparks, escalators, façade lighting as well as staircases which are equipped with motion detector-sensing lighting.
- Progressively replacing all lighting with energy-efficient LED technology.

The Group is pleased to report that it has decreased its utilities cost per square foot by approximately 15.2% for the year in review compared to last year, improving store and operational efficiency.

In FY16/17, COURTS Asia actively expanded its environmental impact management efforts to include external stakeholders and partners, growing its role within the wider eco-system. COURTS Singapore partnered with the Public Utilities Board (PUB), permitting the display of water-saving educational material in its stores, alongside domestic appliances such as washing machines. COURTS Tampines Megastore also participated in Earth Hour in March 2017, turning off non-essential façade lights for an hour. In Malaysia, COURTS partnered with the Malaysian Communications and Multimedia Commission (MCMC) to place mobile e-waste collection boxes in its stores, enabling customers to properly dispose of old gadgets in an environmentally-conscious way, and a "Check Your Label" campaign, wherein COURTS products bearing the MCMC label are certified for compliance with relevant safety standards.

COURTS Malaysia launched mobile e-waste and label-checking solutions with MCMC, concurrently launching its own end-to-end comprehensive suite of digital and mobile solutions.

DEVELOPING AND RETAINING HUMAN CAPITAL

As the retail landscape continues to evolve at a fast pace, retaining talent becomes all the more critical to maintaining a conducive and sustainable work environment that drives the Company's people and business forward.

As a responsible and fair employer that promotes a merit-based approach to talent management, COURTS is committed to grooming and retaining quality talent. The Company has in place a quality talent identification framework, which includes a multi-level talent audit process, a Talking Talent workshop conducted with its Human Resources department to review and validate employees with high potential, and finally a personalised development plan tailored at grooming them for future roles with COURTS. The plan includes training and development geared at developing leadership skills, on-the-job learning including job rotation, regional postings and overseas study assignments, as well as mentorship opportunities with senior leadership.

As a result of its endeavours in implementing responsible and inclusive employment practices effectively, COURTS Singapore was presented the prestigious Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) Exemplary Employer Award 2016. COURTS Malaysia also received similar accolades, being awarded at the Malaysia Best Employer Brand Awards 2016 presented by the World HRD Congress.

In addition, COURTS Singapore is annually recognised at the Singapore Retailers Association and SPRING

Singapore's Excellent Service Awards (EXSA), a yearly national award that acknowledges individuals who have delivered exemplary and quality service to their customers. Organisations employing EXSA winners are recognised as committed to achieving service excellence. While COURTS Singapore has been consistently awarded at EXSA since 2004, the number of employee winners has been steadily growing every year. In 2016, 124 COURTS employees took home Star, Gold and Silver Awards, up from 86 recipients in 2015.

124 COURTS Singapore employees took home awards for service excellence in 2016.

COURTS Singapore is also pleased to note that its efforts have resulted in a lower talent attrition rate of 1.8%, approximately half the industry benchmark of 3.3% according to 2016 data by the Ministry of Manpower.

COURTS Asia recognises the importance in continuing to benchmark its talent management policies and commitment to the welfare and safety of its workforce against best-in-class industry practices. To that end, COURTS Singapore has received numerous awards and certifications in the past – apart from the previously mentioned, being certified by the People Developer Awards since 2003 and attaining People Developer Award S Class in 2008. COURTS Asia will continue to strive towards securing similar accolades and industry recognition as part of the Group's continuous improvement of its policies to achieve excellence.

In addition to talent management, COURTS is committed to providing a safe and healthy workplace for its employees, enforcing established occupational health and safety practices. COURTS Singapore holds the bizSAFE STAR status, the highest level of bizSAFE Certification, a programme under the Workplace Safety & Health Council. Since April 2017, COURTS Singapore has been awarded the bizSAFE Partner Award status, which recognises bizSAFE partners who are proactive and committed to incorporating safety as part of their business model. COURTS regularly runs seminars and classes on various health-related issues for staff to promote a health-conscious and fit workforce.

COURTS stores place safety and security as their utmost priority, regularly conducting checks and open dialogues with authorities. For example, COURTS Megastore in Tampines conducted the In-Place Protection Drill in November 2016, during which the Company Emergency Response Team (CERT) simulated an emergency scenario to ensure the store is prepared for fire emergencies and accidental release of hazardous gases from the external environment. In February 2017, COURTS Singapore was awarded the Safety & Security Watch Group (SSWG) Award, in recognition of its collaborative efforts with public authorities to preserve a safe and secure community and surrounding environment.

COURTS completed its OHSAS 18001 surveillance audit in January 2017 and continues to hold the OHSAS 18001 certification, certifying that the company provides a safe and healthy work environment for its employees. COURTS Megastore is also the first retailer in the Tampines Retail Park to set up Automated External Defibrillator (AED) lifesaving equipment within its premises, and the first to register it with the Singapore Civil Defence Force (SCDF) first responder mobile application.

RISK MANAGEMENT

In order to deliver sustainable value to COURTS' customers, employees, shareholders and all other stakeholders, COURTS seeks to identify and manage the material risks faced across its entire organisation. To this end, COURTS has appointed a dedicated Regional Head of Risk Management as well as a Management Risk Committee, comprising the Group senior management and Country CEOs, which convenes on a quarterly basis and reports to the Audit Committee.

Risks are inherent in COURTS' business activities and can be related to strategic matters, operational issues, financial strategies, compliance with laws and reporting obligations, and country of operations. The Group applies an industry-recognised and best practice Enterprise Risk Management (ERM) Framework to its strategy planning and risk management. Despite the fact that the number of risks is incalculable, the ERM Framework aims to identify, assess, respond to and manage any material risks that may impede the strategy and continuing sustainability of the Group.

CUSTOMER SATISFACTION

Since 2013, the Group has been tracking its Smile Score, which is commonly known in the industry as Net Promoter Score and an industry benchmark to measure the willingness of customers to recommend a company's products or services to others. In Singapore, we have been conducting surveys since 2013 which cover multiple touch-points including stores and other customer interaction points. COURTS Singapore's Smile Score has increased steadily year on year, from over 20 points when the programme was first launched to 58 points for the year in review. COURTS Malaysia and Indonesia's Smile Scores have been conducted at selected stores, and the Group aims to roll out to more stores in the coming years.

The Group believes it is important to continue to collect this data to understand the areas for continuous improvement.

In-Store Experiences Like No Other

CORPORATE GOVERNANCE REPORT

The Company recognises the importance of good corporate governance and is committed to ensure a high standard of corporate governance to enhance corporate performance and protect the interest of the shareholders. The Code of Corporate Governance 2012 (the "Code") is applicable to the Company in respect of its financial year ended 31 March 2017 ("FY2017").

The Company has endeavoured to observe and adhere to the principles and guidelines as set out in the Code in FY2017, and this Corporate Governance Report describes the Group's corporate governance practices and sets out the manner in which the Group has applied the principles and the extent of compliance with the guidelines as set out in the Code, and where applicable, the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Listing Manual"). Where there have been deviations from the Code, appropriate explanations have been provided in this Corporate Governance Report.

In the opinion of the Board of Directors of the Company (the "Board"), the Company has generally complied with all of the provisions as set out in the Code for FY2017.

A. BOARD MATTERS

Principle 1
The Board's Conduct of its Affairs

The Board oversees the Group's overall policies, strategies and objectives, key operational initiatives, performance and measurement, internal control and risk management, major funding and investment proposals, financial performance reviews and corporate governance practices.

The Board has a list of reserved matters which require the approval of the Board. The reserved matters include the annual strategic plan and budget, major capital expenditures, changes in capital structure, mergers and acquisitions, dividend payments, treasury matters, interested person transactions of a material nature, share buybacks, introduction of new corporate governance policies and practices, entering and renewal of leases, appointment and remuneration of key executives and announcements on SGXNET.

The Board meets on a regular basis, at least once in each quarter, to review business performance and to deliberate on matters reserved for the Board. Ad-hoc Board meetings are also convened as and when they are deemed necessary in between the scheduled quarterly meetings. Directors who are not able to physically attend a Board meeting may participate in the Board meeting via teleconferencing or video-conferencing as provided for in the Company's Constitution. At times, when a physical Board meeting is not possible, timely communication with members of the Board is achieved through phone calls, emails and other electronic means and approval from the Directors is obtained via the circulation of Directors' Resolutions in Writing. Mindful of their role as fiduciaries, decisions are taken objectively in the interest of the Company and the Board works with the management to achieve the objective.

To assist with the execution of its responsibilities, the Board is supported by the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively, the "Board Committees"). The Board Committees operate within clearly defined terms of reference and functional procedures which are reviewed on a regular basis.

CORPORATE GOVERNANCE REPORT

In FY2017, a total of nine Board meetings were held. The table below shows the attendance of the Directors at the Board and respective Board Committee meetings in respect of FY2017:

Name	Board No. of meetings attended/held	AC No. of meetings attended/held	RC No. of meetings attended/held	NC No. of meetings attended/held
Mr Jack Hennessy	9/9	4/4	1/1	1/1
Dr Terence Donald O'Connor	9/9	N.A.	N.A.	N.A.
Ms Kee Kim Eng	9/9	N.A.	N.A.	N.A.
Mr Ibrahim Abdelazim Aboutaleb(1)	3/4	–	–	–
Mr Adnan Abdulaziz Ahmed AlBahar(2)	1/4	N.A.	N.A.	N.A.
Mr Chey Chor Wai	9/9	4/4	1/1	1/1
Mr Kho Kewee	9/9	4/4	1/1	1/1

N.A.: Not applicable as the Director is not a member of the Board Committee

Notes:

(1) Mr Ibrahim Abdelazim Aboutaleb resigned on 8 November 2016.

(2) Mr Adnan Abdulaziz Ahmed AlBahar was appointed on 2 December 2016.

It is the practice of the Company that for any new appointment of Director(s), a formal appointment letter setting out his duties and responsibilities will be extended to the new appointee(s). The Company will conduct an orientation that includes briefings by the Management on the Group's structure, business operations and policies. The new appointee(s) will also be given opportunities to visit selected stores of the Group with a guided tour of the operations by the Management.

In FY2017, one new Director was appointed on 2 December 2016. He is Mr Adnan Abdulaziz Ahmed AlBahar, a Non-Independent Non-Executive Director who is nominated by The International Investor Company, one of the substantial shareholders of the Company. Mr AlBahar had previously served on the Board of the Company from 17 January 2012 to 30 June 2015. He has the background of the Company and is familiar with the Group's structure, business operations and policies.

The Directors recognise the importance of receiving regular training, particularly on relevant new laws, regulations and changing commercial risks. In this aspect, the Directors had taken their own initiatives to attend training sessions/seminars organised by external organisations during FY2017, and where appropriate, the trainings were funded by the Company. In FY2017, all the Directors received training on Sustainability Reporting and the new financial reporting standards conducted by external consultants arranged by the Company.

CORPORATE GOVERNANCE REPORT

Principle 2
Board Composition and Guidance

The Board has six members comprising two Independent Directors, two Non-Independent Non-Executive Directors and two Executive Directors. The names of the Board members and their designations are set out below:

Mr Jack Hennessy	Chairman, Non-Independent and Non-Executive Director
Dr Terence Donald O'Connor	Executive Director and Group Chief Executive Officer
Ms Kee Kim Eng	Executive Director and Group Chief Financial Officer
Mr Ibrahim Abdelazim Aboutaleb	Non-Independent and Non-Executive Director (Resigned on 8 November 2016)
Mr Adnan Abdulaziz Ahmed AlBahar	Non-Independent and Non-Executive Director (Appointed on 2 December 2016)
Mr Chey Chor Wai	Independent Non-Executive Director
Mr Kho Kewee	Independent Non-Executive Director

The Board's structure, size and composition are reviewed annually by the NC who is of the view that the current size of the Board is appropriate, taking into account the nature and scope of the Group's operations, to facilitate effective decision making. The NC is satisfied that the Board comprises Directors who, as a group, provide core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge to lead the Group effectively. Profiles of the Directors are set out in the "Board of Directors" section on pages 32 to 35 in this Annual Report.

The Company maintains a satisfactory independent element on the Board by having two Independent Directors out of the total of six Board members. An independent director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment. The Company is in compliance with the Guideline 2.1 of the Code which recommends that at least one-third of the Board should be independent. Guideline 2.2 of the Code also recommends that, where the Chairman of the Board is not an Independent Director, at least half of the Board should be independent. The NC is of the view that although the Independent Directors do not currently make up half of the Board, all of the Directors have debated vigorously on the subject matters tabled at the Board meetings held in FY2017, regardless of whether they were independent or not. The Board is aware that the recommendation is for the Company to comply with Guideline 2.2 no later than by the Annual General Meeting ("AGM") following the end of its financial year commencing on or after 1 May 2016. In the meantime, the Directors will endeavour to look for a suitable candidate to act as Independent Director, preferably someone with significant and relevant retail industry experience.

The Company was listed on SGX-ST on 15 October 2012 and neither of the Independent Directors had served on the Board for more than nine years.

To facilitate a more effective check on the Management, the Non-Executive Directors have met and/or communicated on several occasions on an informal basis to discuss matters relating to the Group without the presence of any of the Management team members (including the Executive Directors).

CORPORATE GOVERNANCE REPORT

Principle 3
Chairman and Chief Executive Officer

There is a clear division of responsibilities between the Chairman and the Group Chief Executive Officer ("CEO") to ensure that there is a balance of power and authority. The role of the Chairman and the Group CEO of the Company are undertaken separately by Mr Jack Hennessy ("Mr Hennessy") and Dr Terence Donald O'Connor ("Dr O'Connor") respectively.

The Chairman, Mr Hennessy, is a Non-Independent Non-Executive Director. He leads the Board to ensure its effectiveness on all aspects of its role. He reviews and approves the agenda items for Board meetings and, assisted by the Company Secretary, ensures that the Board members receive complete, adequate and timely information for discussion at the Board meetings. He chairs the Board meetings and encourages the Board members to present their views on topics under discussion at the meetings. He also ensures that adequate time is available for discussion of all agenda items, and in particular, on strategic issues. At meetings, the Chairman facilitates the discussion and promotes open dialogue and debate among the Directors and between the Directors and the Management.

Dr O'Connor is an Executive Director and the Group CEO of the Company. He manages the businesses of the Group and implements the decisions made by the Board. As the Group CEO, he is responsible for the day-to-day operations of the Group.

The performance of the Chairman and the Group CEO are reviewed periodically by the NC and their remuneration packages are reviewed periodically by the RC. With the segregation of duties between the Chairman and the Group CEO, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Guideline 3.3 of the Code advocates that every company should appoint an independent director to be the lead independent director where the chairman is not an independent director. The NC has discussed and was of the view that although Mr Hennessy is a Non-Independent Director, he is a nominee director of Singapore Retail Group Limited, a shareholder of the Company and he has, and will be able to, effectively discharge his duties as the Chairman of the Board as if he is an independent director. The NC (save for Mr Hennessy who abstained) has therefore recommended that the appointment of a lead independent director is not required. The Board has concurred with the NC's recommendation. Shareholders who have any concerns, for which contact through the Chairman, Group CEO or the Group Chief Financial Officer ("CFO") has failed to resolve or is inappropriate, may register their concerns directly with the two Independent Directors.

Notwithstanding that no lead independent director has been appointed, the two Independent Directors do meet periodically (albeit on an informal basis) to discuss about the Group's affairs without the presence of the other Directors or Management. Any issues, concerns and/or suggestions arising from their discussions will be directly raised to the Chairman of the Board.

CORPORATE GOVERNANCE REPORT

Principle 4
Board Membership

The NC is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments. The NC comprises the following three members, majority of whom, including the Chairman, are Independent Non-Executive Directors:

Mr Kho Kewee *(Chairman)*
Mr Jack Hennessy *(Member)*
Mr Chey Chor Wai *(Member)*

The NC has adopted written terms of reference defining its membership, administration and duties. Duties and responsibilities of the NC include:

(a) reviewing and recommending the (i) Board succession plans of the Directors, in particular the Chairman, the Group CEO and Independent Directors, taking into consideration each Director's competencies, commitment, contribution and performance; (ii) the development of a process for evaluation of the performance of the Board, the Board Committees and individual Directors; (iii) the review of training and professional development programmes for the Board; and (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable);

(b) reviewing annually the composition of the Board to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities;

(c) determining annually, and as and when circumstances so require, whether or not a Director is independent in accordance with the Code and any other salient factors;

(d) reviewing and deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;

(e) reviewing and approving of any new employment of persons related to the CEO or Directors and the proposed terms of their employment; and

(f) evaluating the performance and effectiveness of the Board as a whole.

The NC has in place a process for the selection and appointment of new Directors which includes identification of potential candidates, evaluation of each candidate's skills, knowledge and experience and assessment of the candidate's suitability. All potential candidates, through the recommendation of the Directors, professional firms and associates, and if need be, through external consultants will have their profiles submitted to the NC for screening and selection. The NC will meet with the selected candidate to assess his/her suitability, before making a recommendation to the Board for its approval.

The NC will ensure that Directors appointed to the Board possess the background, experience and knowledge relevant to the industry, as well as business, finance and management skills critical to the Company's businesses. In the event that a Director has multiple board representations, the NC will determine whether or not a Director is able to, and has been, adequately carrying out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC will also determine whether a Director is independent, by taking into account, inter alia, the relationship a Director may have with the Company and its related companies, its 10% shareholders or its officers that could 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. Such measures enable the Board to have an independent and objective perspective so as to allow balanced and well-considered decisions to be made.

CORPORATE GOVERNANCE REPORT

The NC has put in place a process for determining a Director's independence. Once a year, after each financial year end, a Form of Declaration of Independence or Non-Independence will be sent to each of the Directors. Each Director will declare their independence or non-independence by signing and submitting the Form to the Secretary. These duly signed Forms will be tabled at the NC meeting for the NC's review. At the NC meeting, the NC will determine if an Independent Director is indeed independent based on his/her self-declaration Form and whether this Director can continue to exercise independent judgement. In addition to this annual review, the NC is also committed to convening a meeting as and when circumstances prevail which calls for a review. The NC Chairman will present its findings to the Board for Board's endorsement.

The NC is responsible for the nomination and the re-election of Directors at regular intervals, taking into consideration the Directors' competencies, commitment, contribution and performance at Board meetings and Board Committee meetings (if applicable), including attendance, preparedness, candour and participation. Each member of the NC shall abstain from voting on any resolution in respect of his re-nomination as a Director.

Pursuant to Article 94 of the Company's Constitution, every Director shall retire from office once every three years and for this purpose, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation.

Mr Adnan Abdulaziz Ahmed AlBahar was appointed on 2 December 2016. Pursuant to Article 100 of the Company's Constitution, he has to retire at the forthcoming AGM. In accordance with Article 94 of the Company's Constitution, Ms Kee Kim Eng and Mr Chey Chor Wai will retire at the forthcoming AGM by rotation. These three Directors, being eligible, had offered themselves for re-election. The NC, having assessed their performance and contribution to the Board and the Company, recommended their re-election. The Board has concurred with the NC's recommendation.

As an individual Director's ability to commit time to the Group's affair is essential, the NC has determined, at its meeting held in May 2013 that the maximum number of listed company board representations which any Director of the Company may hold is six and all Directors have complied.

In FY2017, there was no alternate director appointed to the Board. The Board would generally avoid approving the appointment of alternate directors unless in exceptional cases such as when a director has a medical emergency.

The profile of the Directors, detailing their qualification, directorship in other listed companies, their appointment to the Board of the Company and the date of their last re-election can be found on pages 32 to 35 of this Annual Report.

Principle 5
Board Performance

The NC has in place a formal system of evaluating Board performance and assessing the effectiveness of the Board, the Board Committees and the individual Directors, including through the use of evaluation forms.

The evaluation of Board's performance as a whole deals with matters on Board composition, procedures and accountability as well as information available to the Board. The evaluation of the Board also covers the Board's contribution to the testing and development of strategy, ensuring effective risk management, the Board's response to problems and crisis, etc. The Board Committees' evaluation deals with the efficiency and effectiveness of each committee in assisting the Board. The criteria for the evaluation of individual Directors include, amongst others, attendance at Board and Board Committee meetings, Directors' duties and know-how and interaction with fellow Directors.

CORPORATE GOVERNANCE REPORT

Each Director is required to complete an evaluation form, which is then returned to the Company Secretary on a private and confidential basis for compilation of the average scores. The compiled results are then tabulated and presented at the NC meeting for the NC's review. The Chairman of the NC will then present the deliberations of the NC to the Board.

In FY2017, the NC Chairman held separate discussion with each individual director to gather feedback after the evaluation process was carried out. The feedback he gathered was summarised and presented to the Board for discussion, follow up actions and/or decision.

The last Board of Directors' evaluation was conducted in June 2017. The Board was satisfied that the Board was effective as a whole and that each and every Director had demonstrated commitment and had contributed to the effective functioning of the Board and the relevant Board Committee(s). The Board did not engage an external facilitator for the assessment process for FY2017.

Notwithstanding that some of the Directors have multiple board representations, the NC is satisfied that each Director is able to and has been adequately carrying out his duties as a director of the Company.

Principle 6
Access to Information

All Directors are furnished with complete and adequate information prior to Board meetings (and as far as possible, at least one week before the meetings) to allow the Directors sufficient time to read and review the board papers and the meeting materials. As and when there are important matters that require the Directors' attention, the information will be furnished to the Directors as soon as practicable.

All the Directors have separate and independent access to the Group's senior management, the Company Secretary and her assistant as well as the Group's internal and external auditors should they have any queries on the affairs of the Group.

The Company Secretary and her assistant provide corporate secretarial support to the Board which includes the attendance at Board and Board Committee meetings, ensuring that meeting procedures are followed and that the relevant rules and regulations of the Companies Act and the listing requirements of SGX-ST which are applicable to the Company are adhered to. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Board has also approved a procedure for the Board, as well as the respective Board Committee and the Independent Directors, to take independent professional advice, where necessary, in the furtherance of their duties. The cost of such professional advice will be borne by the Company.

CORPORATE GOVERNANCE REPORT

B. REMUNERATION MATTERS

Principle 7
Procedures for Developing Remuneration Policies

Principle 8
Level and Mix of Remuneration

The RC is established for the purposes of ensuring that there is a formal and transparent process for developing a policy on executive remuneration. The RC comprises the following three members, majority of whom are Independent Non-Executive Directors:

Mr Jack Hennessy *(Chairman)*
Mr Chey Chor Wai *(Member)*
Mr Kho Kewee *(Member)*

Guideline 7.1 of the Code recommends that the Chairman of the RC should be an Independent Director. Mr Hennessy, the RC Chairman, is a Non-Independent Non-Executive Director. He has been a director of COURTS (Singapore) Pte Ltd, a subsidiary of the Company since 2007 and a Director of the Company since March 2010. He is familiar with the level and structure of the Group's remuneration policies, having formulated the executive remuneration packages for key executives of the Group together with advice from external remuneration consultants. As Mr Hennessy is the nominee director of Singapore Retail Group Limited, a shareholder of the Company, the Board is of the view that there is no risk of any potential conflict of interest resulting from him assuming this role.

The RC has adopted written terms of reference setting out its duties and responsibilities.

The duties and responsibilities of the RC include:–

(a) reviewing and recommending to the Board of Directors remuneration frameworks for the Directors, (including the Group CEO and the Group CFO, i.e. Executive Directors) and key executives;

(b) reviewing and recommending specific remuneration packages for each of the Directors as well as key executives covering all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(c) reviewing and ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution by them, taking into account factors such as effort and time spent, and responsibilities of the Directors;

(d) implementing and administering the Share-Based Incentive Plans (as defined below); and

(e) in the case of service agreements, considering what compensation commitments, if any, would be necessary under the Directors' or executive officers' contracts of service in the event of early termination with a view to being fair, avoid rewarding poor performance and recognise the duty to mitigate loss to the Group.

CORPORATE GOVERNANCE REPORT

For FY2017, Carrots Consulting Pte Ltd ("Carrots Consulting") was engaged as an independent remuneration consultant to provide professional advice on remuneration matters. The principal consultant providing such services was Mr Johan Grundlingh. Carrots Consulting only provides remuneration consulting services to the Company, and has no other relationship with the Company. The Company is one of the many clients of Carrots Consulting and the revenue from the Company represents less than 10% of its total revenue. As such, Carrots Consulting is not too reliant on the Company for its income so as to affect its independence in giving its advice to the Company.

The Company has in place the following Incentive Plans in FY2017:

(A) Cash Incentive Plans for the Group CEO, Group CFO and key executives. This comprises the following components:

(i) Enhanced Individual Key Performance Indicators ("KPI") Performance Bonus Plan ("Enhanced I-KPB")

The Enhanced I-KPB is a cash-based incentive for senior management. The amount of the cash-based incentive is determined with reference to how well the participant has met the goals and individual key performance indicators set by the Board in consultation with the management, which will vary depending on their job requirements. Participants are appraised annually under the Enhanced I-KPB, and their performance level and final payout will be determined accordingly.

Individual performance objectives are aligned to the overall strategic, financial and operational goals of the Company and are set at the beginning of each financial year and are cascaded down to executives using individual scorecards, creating alignment between the performance of the Company and the individual. While these performance objectives are different for each executive, they are assessed on the same principles across the following four broad categories of targets:

- finance and business;
- customer and operations;
- people and organisational development; and
- strategic projects.

The Enhanced I-KPB Payout is capped at 5 times of the monthly base salary in respect of the Group CEO, Group CFO and key executives.

(ii) Profit Sharing Bonus Plan ("PSB")

The PSB is a performance-based cash incentive arrangement based on sharing a percentage of the Group's Profit After Tax, which will form the "PSB Declared Incentive Pool". It excludes any one-off non-operating performance unless otherwise approved by RC. Each employee is allocated an individual share of the "PSB Declared Incentive Pool" based on their role and is adjusted for Group, country and individual performance. 85% of the Individual PSB allocated to each participant will be paid out in cash at the end of the financial year. The remaining 15% of Individual PSB allocated to each participant will be settled in Deferred Shares under a Deferred Share Award ("DSA") which will be granted later in the following financial year. The recipient must, at the point of payout or grant, be in our employment and not have resigned or be serving notice of termination.

In determining the Individual PSB allocated to each participant, the RC considers relevant market remuneration benchmarks.

CORPORATE GOVERNANCE REPORT

(B) Share Incentive Plans ("Share-Based Incentive Plans")

(i) The COURTS Performance Share Plan ("PSP")

The PSP is a share-based incentive scheme established with the objective of rewarding, motivating, and retaining a selected group of key senior management staff who shoulder the responsibility for the Group's performance and who are able to drive the growth of the Group through innovation, creativity and superior performance.

A Performance Share Award ("PSA") was made in FY2017, under the PSP, to eligible employees based on their position grade and individual performance. The PSA is contingent on meeting the performance target set for Return on Capital Employed ("ROCE") over a two-year Performance Period. Based on the achievement of ROCE, the final award is then determined and vesting will commence three months after the end of the Performance Period in two equal tranches over two consecutive years.

The first award of PSA was granted in FY2016 and has partially vested at the end of FY2017.

A Deferred Share Award ("DSA") was granted on 1st September 2016 ("Grant Date"), under the PSP, based on 15% of the FY2016 Individual PSB allocated to each participant, to motivate top management to drive the long term success of the Company and to enhance shareholder returns. The DSA award will vest in 3 tranches at the rate of 1/3 per annum, commencing one year from the Grant Date. A dividend "kicker" award, to account for the dividends forgone during the vesting period, will also be awarded on the third vesting anniversary.

(ii) The COURTS Share Appreciation Rights ("SAR") Plan

The SAR Plan aims to provide eligible employees with an opportunity to participate in the equity of our Company and to motivate them towards better performance in the long term through increased dedication and loyalty, and is designed to reward and retain employees of our Group whose services are vital to our success.

Under the SAR Plan, an award comprising a certain number of SAR is made. SAR granted has a term of 10 years from the date of grant.

Each SAR represents the right of the employees to receive fully paid Shares in the Company, cash or a combination of both, calculated based on the gain in the market value (as determined under the terms of the SAR Plan) of a Share in the Company.

There was no SAR granted in FY2017.

The aggregate number of Shares which may be issued under the Share-Based Incentive Plans, at any point in time, is subject to a maximum limit of 10% of the total issued share capital of our Company (excluding treasury shares), which is inclusive of new Shares issued by our Company under the Share-Based Incentive Plans for share grant and settlement purposes. The RC administering the Share-Based Incentive Plans may also decide to impose further annual sub-limits for each or both of the Share-Based Incentive Plans, and has currently set an annual sub-limit for granting of awards at 1.5% of our Company's issued share capital (excluding treasury shares) for both of the Share-Based Incentive Plans.

(iii) The Company has Share Ownership Guidelines which require the Executive Directors and key executives to hold a minimum number of COURTS shares delivered under the PSP after the relevant vesting periods for the duration of their employment to align their interests with that of shareholders.

CORPORATE GOVERNANCE REPORT

(C) Pay-for-Performance Alignment

In FY2017, pursuant to its Terms of Reference, the RC ensured that remuneration paid to the Group CEO, Group CFO and key executives is strongly linked to the achievement of business and individual performance targets. A Pay-for-Performance Alignment study was conducted by the remuneration consultant and reviewed by the RC and it was found that there was sufficient evidence indicating Pay-for-Performance Alignment for the Company in absolute terms for the 3-year period from FY2015 to FY2017.

(D) Compensation Risk Assessment

Under the Code, the compensation system should take account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. The RC has reviewed the various compensation risks that may arise and introduced mitigating policies to manage any risk exposure.

In the event of a misstatement of financial results or of misconduct resulting in financial loss to the Company as deemed by the RC, the RC may, in its absolute discretion reclaim incentive components of remuneration (via the use of contractual provisions) from Executive Directors and key executives.

An annual review will be conducted to account for various compensation risks that may arise in the future.

Principle 9
Disclosure on Remuneration

A breakdown showing the level and mix of the two (2) Executive Directors' remuneration for FY2017 (rounded to the nearest one thousand) is disclosed in the table below:

		Cash-Based Incentives Based on FY2016 Performance		Share-Based Incentives			
Key Executives	**Salary and Cash Allowances (S$'000)**	**Enhanced I-KPB (S$'000)**	**PSB Payout (S$'000)**	**DSA[1] (S$'000)**	**PSA (S$'000)**	**Benefits (S$'000)**	**Total (S$'000)**
Dr Terence Donald O'Connor	793	152	651	79	187	110	1,972
	40%	8%	33%	4%	9%	6%	100%
Ms Kee Kim Eng	544	150	357	35	74	20	1,180
	46%	13%	30%	3%	6%	2%	100%

[1] Deferred Share Award ("DSA") was granted in FY2017 based on 15% of the FY2016 Individual PSB allocated to each participant.

Neither of the Executive Directors is entitled to directors' fees.

CORPORATE GOVERNANCE REPORT

The remuneration (shown in bands of S$250,000) of top five (5) key executives for FY2017 (excluding the Group CEO and Group CFO who are also Executive Directors) is disclosed in the table below:

			Cash-Based Incentives Based on FY2016 Performance		Share-Based Incentives			
Band (S$'000)	Key Executives	Salary and Cash Allowances	Enhanced I-KPB	PSB Payout	DSA[1]	PSA	Benefits	Total
1000-1250	Mr Chan Yuen Kiong	62%	12%	16%	3%	5%	2%	100%
1000-1250	Mr Tim Luce	59%	9%	17%	3%	5%	7%	100%
750-1000	Mr Stan Kim	50%	15%	23%	0%	7%	5%	100%
500-750	Ms Kiran Kaur	57%	12%	19%	2%	7%	3%	100%
250-500	Mr Roy Santoso	96%	0%	0%	0%	4%	0%	100%

[1] DSA was granted in FY2017 based on 15% of the FY2016 Individual PSB allocated to each participant.

For FY2017, the aggregate total remuneration paid to the top five (5) key executives, (excluding the Group CEO and Group CFO) amounted to S$3,860,000.

For FY2017, there was no termination and post-employment benefits granted to the Directors (including the Group CEO and the Group CFO who are Executive Directors) and top five (5) key executives other than the standard contractual notice period termination payment in lieu of service in respect of management employees.

There are no employees of the Group who are the immediate family members of a Director (including the Group CEO and Group CFO).

It is the policy of the Company for Non-Executive Directors to be paid in a combination of appointment-based fees (which would depend on the Director's position and role) and attendance-based fees (which will depend on the Director's attendance at meetings and mode of attendance).

CORPORATE GOVERNANCE REPORT

The fee structure for FY2017 was as follows:

Fee Component (FY2017)	**S$**
Appointment-based Fees (per annum)	
Basic Retainer Fee	
Board Chairman	90,000
Director	45,000
Fee for appointment to AC	
AC Chairman	35,000
AC Member	18,000
Fee for appointment to RC	
RC Chairman	20,000
RC Member	9,000
Fee for appointment to NC	
NC Chairman	20,000
NC Member	9,000
Attendance-based Fees	
Attendance in person (per Board Meeting)	
Local Director (in-region i.e. based in Singapore)	1,000
Overseas Director (out-region i.e. based out of Singapore)	2,500
Attendance in person (per Board Committee Meeting)	
Local Director (in-region i.e. based in Singapore)	500
Overseas Director (out-region i.e. based out of Singapore)	1,000
Attendance via alternative communication means	
Board Meeting (whether or not business hours)	500
Board Committee (whether or not business hours)	250

A total fee pool is approved in advance by the shareholders at the AGM. It is the Company's policy for Non-Executive Directors who served on the Board during FY2017 to receive 80% of their directors' fees in cash and the remaining 20% in the form of shares in the Company on a quarterly award basis except for Mr Jack Hennessy, Mr Adnan Abdulaziz Ahmed AlBahar and Mr Ibrahim Abdelazim Aboutaleb. This has also been approved by the shareholders of the Company at the AGM held on 27 July 2016.

The actual number of shares to be awarded will be based on the volume-weighted average price ("VWAP") of the Company's shares on SGX-ST at the end of each financial quarter over the 14 trading days immediately after the Company's respective Quarter Financial Results Announcement, rounded down to the nearest share, and with any residual balance settled in cash. However, in order to further align the interests of the Non-Executive Directors with the interests of shareholders in this regard, a Non-Executive Director is required to hold shares in the Company worth at least one-time his annual basic retainer fee based on the VWAP of the Company's share over the 14 trading days immediately after the Company's First Quarter Financial Results Announcement Date for each financial year, or the total number of shares awarded to him under the above policy for FY2014 and onwards, whichever is lower, at all times during Board tenure.

CORPORATE GOVERNANCE REPORT

The Non-Executive Directors' remuneration for FY2017 is disclosed in the table below:–

	Cash-Based Incentives	
Directors	Cash-Based Component (S$)	Share-Based Component (S$)
Mr Jack Hennessy	150,000	0
Mr Adnan Abdulaziz Ahmed AlBahar	23,500	0
Mr Ibrahim Abdelazim Aboutaleb	26,500	0
Mr Chey Chor Wai	90,000	22,499
Mr Kho Kewee	85,200	21,299

C. ACCOUNTABILITY AND AUDIT

Principle 10
Accountability

In the discharge of its duties to the shareholders, the Board seeks to provide shareholders with an analysis, explanation and assessment of the Group's performance, financial position and prospects when reporting quarterly and full year financial results.

All the Directors are provided with management accounts and such explanation and information on a monthly basis. Invitations have also been extended to all the Directors to attend the discussion of the monthly results.

Principle 11
Risk Management and Internal Controls

Principle 13
Internal Audit

The Board has enlisted the help of the AC to oversee the risk management function. In this regard, the duties of the AC include:

(a) advising the Board on the Group's risk exposure, risk appetite and risk management strategy;

(b) reviewing and guiding management in the formulation of the Group's risk management policies and in the execution of risk assessment processes and mitigation strategies; and

(c) reviewing the effectiveness of the Group's risk management systems.

Since FY2014, the Group has in place a risk management system. The Regional Head, Risk Management reports to the Group CEO and he is invited to attend the quarterly AC meetings to present his report.

The Group also maintains a system of internal controls within the Group which focuses on financial, operational, compliance, technology controls and risk management. The Board recognises the importance of internal controls and has its own internal audit team to perform the internal audit function under an adopted Internal Audit Charter.

CORPORATE GOVERNANCE REPORT

The internal audit function is staffed with people with the relevant qualifications and experience, and the internal auditors carry out their functions according to the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel.

The Regional Head of Internal Audit reports directly to the AC, although she also reports to the Group CEO on an administrative basis. As mentioned, she also attends the quarterly AC meetings at which she presents her internal audit reports. Any material non-compliance and internal control weaknesses identified in the course of internal audit will be reported to the AC Chairman as soon as practicable for the action of the AC Chairman as deem appropriate. As the AC receives the internal audit reports at the quarterly AC meetings, it also looks at the adequacy and effectiveness of the internal audit function at each meeting.

The AC has received written assurance from the Group CEO and the Group CFO: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

The Board reviews annually the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by the management, various Board Committees and the Board, and the written assurance from the Group CEO and the Group CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing key financial, operational, compliance and information technology risks, and risk management systems were adequate and effective as at 31 March 2017.

Principle 12
Audit Committee

The AC comprises the following members, majority of whom are Independent Non-Executive Directors and all of whom are Non-Executive Directors:

Mr Chey Chor Wai *(Chairman)*
Mr Kho Kewee *(Member)*
Mr Jack Hennessy *(Member)*

The AC has adopted written terms of reference defining its membership, administration and duties.

The duties and responsibilities of the AC include, amongst others:

(a) reviewing the financial statements of the Group including quarterly and full-year results before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, significant adjustments resulting from the audit, compliance with accounting standards and compliance with disclosure requirements of the SGX-ST Listing Manual;

(b) reviewing the effectiveness of the internal control and risk management systems established by the management to identify, assess, manage and disclose financial and non-financial risks and also reviewing the Group's procedures for detecting fraud and whistleblowing, and ensuring that arrangements are in place by which staff may in confidence raise their concern;

CORPORATE GOVERNANCE REPORT

(c) reviewing and monitoring the role and effectiveness of the internal audit function;

(d) reviewing the effectiveness and adequacies of the internal controls and procedures, including accounting and financial, operational, compliance and information technology controls and procedures and ensure co-ordination between the external auditors and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);

(e) overseeing the Group's relations with the external auditors and to monitor and assess the independence and objectivity of the external auditors. Where the external auditors also supply a substantial volume of non-audit services to the Group, the AC would keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

(f) considering the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors;

(g) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(h) reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual; and

(i) reviewing potential conflicts of interest, if any.

The Company has in place a set of whistle blowing policies. The AC is authorised by the Board to investigate any matter within its terms of reference and to engage external consultants to provide advice to the AC at the cost of the Company. In discharging its duties, it has full access to the Management and has full discretion to invite any Director or Executive Director to attend its meetings.

The Board is of the view that all the AC members are appropriately qualified to discharge their responsibilities. The profiles of the AC members can be found on pages 32 to 35 of this Annual Report.

The AC held a total of four (4) meetings in FY2017. The Executive Directors (who are also the Group CEO and Group CFO) as well as the Finance Director and the external auditors attended all the AC meetings. The Regional Head, Risk Management and the Regional Head of Internal Audit were also at the meetings to present their reports. On 21 June 2017, the AC met separately with the Regional Head of Internal Audit and the external auditors without the presence of the management.

In reviewing the independence of PricewaterhouseCoopers LLP ("PwC"), the Company's external auditors, the AC had noted that the total amount of fees paid to PwC in FY2017 was S$701,000 out of which S$299,000 is for non-audit services and S$402,000 is for audit services. In relation to the non-audit fees, the AC noted that these were for services relating to corporate tax, goods and services tax, transfer pricing, IFRS implementation and some miscellaneous services. The external auditors have also explained to the AC its internal procedures to maintain and ensure its independence. Having considered the nature of the non-audit services, PwC's internal procedures to maintain independence and with their assurance of their independence, the AC was of the view that PwC is independent.

CORPORATE GOVERNANCE REPORT

The AC has recommended the re-appointment of PwC as the Company's external auditors for the financial year ending 31 March 2018.

To keep abreast of changes to the accounting standards and issues which have a direct impact on the Group's financial statements, the AC members have taken steps to attend courses and seminars, and where appropriate, at the expense of the Company.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14
Shareholder Rights

Principle 15
Communication with Shareholders

The Company values transparent and timely communication with investing community. Timely, as well as adequate disclosure is made to the public via SGXNET in compliance with SGX-ST guidelines to ensure that the shareholders are kept informed of the Group's developments and performance.

The Group CEO and/or the Group CFO meet with investors, fund managers and analysts as well as make an effort to participate in relevant overseas investor roadshows at least once a year to gather feedback and to understand their views on the Company. The Group CEO reports the list of investor activities and the feedback gathered from these events to the Board at the quarterly Board meeting. The Company also responds to enquiries from investors, analysts, fund managers and the press. The investor relations team can be reached at ir@courts.com.sg and they endeavour to respond to emails within 36 hours as far as possible.

The Company does not have a dividend policy.

The Board has proposed a final dividend of 1.29 Singapore cents per share for FY2017. This is consistent with the payout for the last two financial years. This final dividend is subject to shareholders' approval at the upcoming AGM scheduled on 10 August 2017.

Principle 16
Conduct of Shareholders Meetings

The AGM is a platform for the shareholders to share their views and to meet with the Board of Directors as well as the senior management. The Directors and the senior management personnel have made their commitment to attend the AGM to meet with the shareholders and to answer any queries that the shareholders might have. The external auditors will be present at the AGM to address any shareholders' queries relating to the conduct of the audit and the preparation and content of the auditors' report.

The minutes of general meetings will be made available to shareholders upon request.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

Dealings In Securities

[Listing Manual, Rule 1207(19)]

In line with Rule 1207(19) of the Listing Manual as well as insider trading laws in Singapore, the Company has in place a policy prohibiting share dealings by Directors and key employees of the Company for two weeks before the announcement of the Group's first three quarter financial results and one month before the release of the Group's full year financial results.

The Directors and key employees are also expected to observe insider trading laws at all times, even when dealing in securities outside of the prohibited periods. In addition, they are also discouraged from dealing the Company's securities on short term considerations.

Interested Person Transactions

[Listing Manual, Rule 907]

There were no interested person transactions in FY2017.

Material Contracts

[Listing Manual, Rule 1207(8)]

There were no material contracts of the Company or its subsidiaries involving the interest of the Group CEO, or any Director or controlling shareholder, which was subsisting at the end of FY2017 or entered into since the end of FY2017.

Auditing Firms

[Listing Manual, Rule 1207(6)(c)]

The Group has complied with Rule 712 and 715 in relation to auditing firms.

Use Of IPO Proceeds

[Listing Manual, Rule 1207(20)]

The Company had successfully raised net proceeds of approximately S$43.8 million (excluding S$86.2 million net proceeds from the sale of the vendor shares) on 12 October 2012.

A total of $32.4 million has been invested from the date of incorporation of PT COURTS Retail Indonesia ("PTCRI") up to 31 March 2017. The balance of the proceeds has been placed in short term deposits with banks. The Board has decided that the balance of the proceeds will be re-allocated to use for future investments and expansions.

Sustainability Report

[Principle 1.1 of the Code]

Please refer to the section on Sustainability Report on pages 40 to 43 of this Annual Report.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2017 and the balance sheet of the Company as at 31 March 2017.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 77 to 148 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

DIRECTORS

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

Mr Jack Hennessy
Dr Terence Donald O'Connor
Ms Kee Kim Eng
Mr Chey Chor Wai
Mr Kho Kewee
Mr Adnan Abdulaziz Ahmed AlBahar (appointed on 2 December 2016)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the 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, other than as disclosed under "Share options" in this statement.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

DIRECTORS' INTERESTS IN SHARES, SHARE OPTIONS OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares, share options or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.03.2017	At 1.04.2016 or date of appointment if later	**At 31.03.2017**	At 1.04.2016 or date of appointment if later
Company				
No. of ordinary shares				
Dr Terence Donald O'Connor	**17,617,900**	17,471,800	**-**	–
Ms Kee Kim Eng	**1,954,700**	1,886,000	**-**	–
Mr Chey Chor Wai	**180,008**	126,731	**-**	–
Mr Kho Kewee	**170,442**	120,077	**-**	–
Mr Adnan Abdulaziz Ahmed AlBahar	**1,014,638**	1,014,638	**-**	–
Share Appreciation Rights				
Ms Kee Kim Eng	**1,583,560**	1,583,560	**-**	–
Deferred Share Award				
Dr Terence Donald O'Connor	**186,000**	–	**-**	–
Ms Kee Kim Eng	**71,000**	68,700	**-**	–
Performance Share Award				
Dr Terence Donald O'Connor	**2,397,000**	1,167,000	**-**	–
Ms Kee Kim Eng	**947,100**	477,400	**-**	–

(b) The directors' interests in the ordinary shares of the Company as at 21 April 2017 were the same as those as at 31 March 2017.

SHARE OPTIONS

COURTS Pre-IPO Share Appreciation Rights Plan ("SAR Plan")

(a) Share Appreciation Rights ("SAR") represent the right to receive fully-paid ordinary shares of the Company at zero exercise price. The SAR Plan of the Company was approved by the Board and Remuneration Committee held on 22 November 2012 and is administered by the Remuneration Committee.

(b) Persons eligible to participate in the SAR Plan are selected Group employees of such rank and service period as the Remuneration Committee may determine, and other participants selected by the Remuneration Committee.

(c) SAR granted under the SAR Plan are conditional and will be principally performance-based with performance conditions to be set over a multi-year performance period. Performance conditions include both market and non-market conditions. Performance conditions set are intended to be based on medium-to-longer-term corporate objectives covering market competitiveness, quality of returns, business growth, productivity growth and total shareholder return objectives.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

SHARE OPTIONS (CONTINUED)

COURTS Pre-IPO Share Appreciation Rights Plan ("SAR Plan") (Continued)

(d) The SAR Plan contemplates the award of fully-paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods. The number of fully-paid ordinary shares of the Company to be awarded under the SAR Plan is determined at the date of exercise. At the date of exercise, if the share price is higher than the grant date share price, the excess is the value for conversion into an equivalent number of fully-paid ordinary shares issued at the exercise date share price. In the event that the share price at the time of exercise is equal or less than the grant date share price, no shares will be awarded to the Group employees.

The total number of SAR outstanding under the SAR Plan as at 31 March 2017 is 4,047,960 (2016: 4,047,960).

		No. of SAR under the SAR Plan		
Category	**No. of persons**	**As at 31 March 2017**	As at 31 March 2016	**Exercise period**
Executive Director	1	**1,583,560**	1,583,560	15.10.2013 – 15.10.2026
Employee	4	**2,464,400**	2,464,400	15.10.2013 – 15.10.2026

COURTS Strategic Deferred Share Award Plan ("DSA Plan")

(a) One Deferred Share Award ("DSA") represents the right to receive one fully-paid ordinary share of the Company at zero exercise price. The Company has two separate DSA Plans, namely (i) the FY13/14 DSA which was approved by the Board and Remuneration Committee on 28 May 2013 and (ii) the FY15/16 DSA which was approved by the Board and Remuneration Committee on 31 August 2016. Both DSA Plans are administered by the Remuneration Committee.

(b) Persons eligible to participate in the DSA Plan are selected Group employees of such rank and service period as the Remuneration Committee may determine, and other participants selected by the Remuneration Committee.

(c) Awards granted under the FY13/14 DSA and FY15/16 DSA are conditional that the employees remain in service at the final vesting dates on 19 November 2015 and 1 September 2019 respectively.

(d) The DSA awards the employees fully-paid ordinary shares of the Company, free of charge, provided that the employees remain in service at the expiry of the prescribed vesting periods.

The total number of outstanding FY13/14 DSA as at 31 March 2017 is nil (2016: 184,700).

		No. of FY13/14 DSA		
Category	**No. of persons**	**As at 31 March 2017**	As at 31 March 2016	**Exercise period**
Executive Director	1	-	68,700	19.11.2013 – 19.11.2015
Employee	3	-	116,000	19.11.2013 – 19.11.2015

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

SHARE OPTIONS (CONTINUED)

COURTS Strategic Deferred Share Award Plan ("DSA Plan") (Continued)

The total number of outstanding FY15/16 DSA as at 31 March 2017 is 655,000 (2016: nil).

		No. of FY15/16 DSA		
Category	**No. of persons**	**As at 31 March 2017**	As at 31 March 2016	**Exercise period**
Executive Director	2	**257,000**	–	1.9.2017 – 1.9.2019
Employee	11	**398,000**	–	1.9.2017 – 1.9.2019

COURTS Performance Share Award ("PSA Plan")

(a) One Performance Share Award ("PSA") represents the right to receive one fully-paid ordinary share of the Company at zero exercise price. The Company has two separate PSA Plans, namely (i) the FY15/16 PSA which was approved by the Board and Remuneration Committee on 24 April 2015 and (ii) the FY16/17 PSA which was approved by the Board and Remuneration Committee on 24 June 2016. Both PSA Plans are administered by the Remuneration Committee.

(b) Persons eligible to participate in the PSA Plan are selected Group employees of such rank and service period as the Remuneration Committee may determine, and other participants selected by the Remuneration Committee.

(c) Awards granted under the FY15/16 PSA and FY16/17 PSA are conditional that the employees remain in service at the relevant vesting dates as follows:

Plan	Vesting dates
FY15/16 PSA	1 July 2017 and 1 July 2018
FY16/17 PSA	2 July 2018 and 1 July 2019

(d) The PSA awards the employees fully-paid ordinary shares of the Company, free of charge, provided that the employees remain in service at the expiry of the prescribed vesting periods above.

(e) The initial award granted is contingent on meeting the performance target set for Return of Capital Employed (ROCE) for the performance periods as set out below. Based on the achievement target set, the final award is then determined and vesting will commence three months after the end of the performance period in two equal tranches over two consecutive years.

Plan	Performance period
FY15/16 PSA	1 April 2015 to 31 March 2017
FY16/17 PSA	1 April 2016 to 31 March 2018

(f) No shares will be awarded if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the initial award could be awarded up to a maximum of 200% of the initial award.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

SHARE OPTIONS (CONTINUED)

COURTS Performance Share Award ("PSA Plan") (Continued)

The total number of outstanding FY15/16 PSA as at 31 March 2017 is 3,701,500 (2016: 3,911,000).

	As at 31 March 2017		**As at 31 March 2016**		
Category	**No. of persons**	**No. of FY15/16 PSA**	No. of persons	No. of FY15/16 PSA	**Exercise period**
Executive Director	2	**1,644,400**	2	1,644,400	23.06.2015 – 30.06.2018
Employee	14	**2,057,100**	15	2,266,600	23.06.2015 – 30.06.2018

The total number of outstanding FY16/17 PSA as at 31 March 2017 is 4,059,300 (2016: nil).

		No. of FY16/17 PSA		
Category	**No. of persons**	**As at 31 March 2017**	As at 31 March 2016	**Exercise period**
Executive Director	2	**1,699,700**	–	01.11.2016 – 30.06.2019
Employee	21	**2,359,600**	–	01.11.2016 – 30.06.2019

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Mr Chey Chor Wai (Chairman) (Independent and non-executive)
Mr Jack Hennessy (Non-executive)
Mr Kho Kewee (Independent and non-executive)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2017 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

TERENCE DONALD O'CONNOR
Director

KEE KIM ENG
Director

17 July 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COURTS ASIA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of COURTS Asia Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the year ended 31 March 2017;
- the consolidated statement of comprehensive income of the Group for the year ended 31 March 2017;
- the consolidated balance sheet of the Group as at 31 March 2017;
- the balance sheet of the Company as at 31 March 2017;
- the consolidated statement of changes in equity of the Group for the year ended 31 March 2017;
- the consolidated statement of cash flows of the Group for the year ended 31 March 2017; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority 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 ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

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 for the financial year ended 31 March 2017. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Early adoption of FRS 115 *Revenue from Contracts with Customers*	
Refer to Notes 2.2, 3(a), 3(c)(i), 4, 9(b) and 18 to the financial statements The Group has elected to early adopt FRS 115 for the financial year ended 31 March 2017. FRS 115 provides specific guidance on the accounting for revenue transactions which is relevant to the Group's revenue transactions, such as the accounting for transactions with significant financing component, consideration payable to customers and revenue recognition of other services contracts. We focused on this area because of the inherent complexity involved in the application of the new accounting standard and the significant management judgement involved in determining the discount rate used to adjust for significant financing component for the Group's credit sales and in recognising the related income tax effect on the transitional adjustments on adoption of the new accounting standard. The effects of the change in accounting policy are disclosed in Note 2.2 to the financial statements.	Our audit procedures included the following: • Obtained an understanding of the different revenue streams of the Group through discussions with management and examination of contracts with customers; • Evaluated management's assessment of the application of FRS 115 for each revenue stream. We considered the appropriateness of the Group's revenue recognition accounting policies, including those related to accounting for significant financing component, consideration payable to customers and other services contracts, vis-à-vis the requirements under FRS 115; • Assessed the reasonableness of the methodology used by management in determining the appropriate discount rate used in adjusting the credit sales transaction for the effects of significant financing component, based on publicly available industry information; • Evaluated management's assessment of revenue recognition at a point in time and over time, including review of management's computation of deferred costs and deferred revenue relating to unsatisfied performance obligations arising from other services contracts which are recognised over time;

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Early adoption of FRS 115 *Revenue from Contracts with Customers*	
	• Checked management's quantification of the relevant adjustments arising from the retrospective application of FRS 115, including agreeing, on a sample basis, information used in computing the relevant adjustments to the underlying accounting records for accuracy and completeness; • Considered and evaluated management's judgements on the income tax effect on the adoption of FRS 115, including review of the consultation paper issued by local tax authority (where available) and discussions with our tax specialists on the income tax effect arising from the transitional adjustments; and • Assessed the adequacy of the Group's disclosures in respect of revenue and the adoption of the new accounting standard. Based on our audit procedures, we found management's judgement and application of FRS 115 to be appropriate.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Impairment of trade receivables	
Refer to Notes 2.10, 3(b) and 13 to the financial statements As at 31 March 2017, the Group's trade receivables amounted to $453.9 million. These trade receivables comprise mainly of amounts receivables from individual customers from the Group's credit sales. The Group assesses these trade receivables for any objective evidence of impairment at the end of each financial period and whenever there is any indicator of impairment. In determining the amount of impairment allowance, the Group considers its accumulated historical collection and loss experience for receivables with similar credit characteristics. In addition, the Group also takes into account any observable information arising at each period end which may indicate that the trade receivables may be impaired. We focused on this area because of the significant management judgement and assumptions involved in estimating the impairment allowance. An impairment charge of $26.3 million was recorded in the current financial year ended 31 March 2017 as a result of management's assessment of the impairment of trade receivables.	Our audit procedures included the following: • Obtained an understanding of the Group's impairment policy and methodology through discussions with management; • Assessed the reasonableness of the methodology adopted by management in determining the impairment allowance, including validation of the underlying assumptions used by management based on accumulated historical collection and loss experience data; and • Validated the underlying historical collection and loss experience data by checking, on a sample basis, to the underlying accounting records for payments received and balances written off. Based on our audit procedures, we found management's judgement around the impairment of trade receivables to be reasonable.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
3. Recognition of deferred tax assets on tax losses carried forward	
Refer to Notes 3(c)(ii) and 18 to the financial statements As at 31 March 2017, the Group recognised deferred tax assets of $6.7 million which related to the tax losses carried forward arising from the Group's subsidiary in Indonesia. These tax losses have an expiry of 5 years from the year originally incurred. A deferred tax asset is recognised only to the extent that there is sufficient taxable profit available in future years, against which the deferred tax asset can be utilised. We focused on this area because of the significant management judgement involved in estimating the future profitability of the Indonesian subsidiary.	Our audit procedures included the following: • Obtained an understanding of management's plans for the Indonesian business through discussions with management; • Obtained and reviewed the taxable profit forecast prepared by management, focusing on the key assumptions used in the forecasts; • Assessed the historical accuracy of management's assumptions and estimation process by comparing the forecasted results against actual results of the operations; and • Performed a sensitivity analysis to assess the impact of any reasonable possible changes of the key assumptions on the recoverable amount of deferred tax assets. Based on our audit procedures, we found management's judgement around the recoverability of deferred tax assets to be reasonable.

Other Information

Management is responsible for the other information. The other information comprises all the sections of 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 and will not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Peter Low Eng Huat.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,
17 July 2017

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		The Group	
	Note	**2017**	2016
			Restated*
		$'000	$'000
Revenue	4	**740,539**	751,889
Cost of sales	6	**(472,090)**	(497,882)
Gross profit		**268,449**	254,007
Other income and other gains/(losses) – net	5	**5,628**	4,412
Expenses			
– Distribution and marketing	6	**(56,181)**	(62,109)
– Administrative	6	**(165,391)**	(158,760)
– Finance	8	**(20,826)**	(25,662)
Profit before income tax		**31,679**	11,888
Income tax expense	9	**(7,936)**	(5,057)
Net profit		**23,743**	6,831
Earnings per share for results attributable to the equity holders of the Company (cents per share)			
– Basic	10	**4.59**	1.29
– Diluted		**4.52**	1.28

* See Note 2.2 for details about changes in accounting policies.

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	The Group	
		2017	2016 Restated*
		$'000	$'000
Net profit		**23,743**	6,831
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	23	**(12,175)**	(9,987)
Fair value gain/(loss) on hedging reserve	23	**340**	(30)
Total comprehensive income/(loss)		**11,908**	(3,186)

* See Note 2.2 for details about changes in accounting policies.

The accompanying notes form an integral part of these financial statements

BALANCE SHEETS

AS AT 31 MARCH 2017

	Note	The Group			The Company	
		31 March 2017 $'000	31 March 2016 Restated* $'000	1 April 2015 Restated* $'000	**31 March 2017 $'000**	31 March 2016 $'000
ASSETS						
Current assets						
Cash and bank balances	11	**98,728**	147,509	114,219	**32,948**	77,489
Trade and other receivables	13(a)	**235,546**	219,398	224,613	**4,448**	75,963
Deferred costs	4(b)	**8,284**	8,331	8,265	**-**	–
Inventories	14	**78,780**	77,815	83,604	**-**	–
Income tax recoverable	9(b)	**-**	2,400	4,923	**-**	–
		421,338	455,453	435,624	**37,396**	153,452
Non-current assets						
Derivative financial instruments	12	**139**	825	–	**-**	–
Trade and other receivables	13(b)	**251,500**	267,672	243,017	**4,632**	23,611
Deferred costs	4(b)	**11,271**	10,586	10,823	**-**	–
Investments in subsidiaries	15	**-**	–	–	**276,145**	270,840
Property, plant and equipment	16	**20,906**	24,792	26,778	**11**	1
Intangible assets	17	**23,231**	23,580	24,531	**20,065**	20,065
Deferred income tax assets	18	**20,662**	17,350	15,134	**-**	–
		327,709	344,805	320,283	**300,853**	314,517
Total assets		**749,047**	800,258	755,907	**338,249**	467,969
LIABILITIES						
Current liabilities						
Derivative financial instruments	12	**276**	544	225	**-**	–
Trade and other payables	19(a)	**148,336**	139,293	122,213	**2,911**	5,391
Deferred revenue	4(b)	**27,167**	26,788	25,232	**-**	–
Current income tax liabilities	9(b)	**5,347**	2,136	2,474	**1,771**	2,131
Borrowings	20	**547**	131,036	1,650	**476**	125,444
Deferred income		**2,569**	2,083	2,144	**-**	–
		184,242	301,880	153,938	**5,158**	132,966
Non-current liabilities						
Derivative financial instruments	12	**100**	272	619	**-**	–
Trade and other payables	19(b)	**482**	469	345	**-**	–
Deferred revenue	4(b)	**37,604**	35,654	35,962	**-**	–
Borrowings	20	**303,468**	240,151	327,550	**76,425**	76,724
Deferred income		**1,733**	2,614	2,071	**-**	–
Deferred income tax liabilities	18	**2,888**	2,920	3,282	**2,849**	2,920
		346,275	282,080	369,829	**79,274**	79,644
Total liabilities		**530,517**	583,960	523,767	**84,432**	212,610
NET ASSETS		**218,530**	216,298	232,140	**253,817**	255,359
EQUITY						
Share capital	22	**265,332**	265,332	265,332	**265,332**	265,332
Treasury shares	22	**(19,669)**	(16,161)	(10,348)	**(19,669)**	(16,161)
Other reserves	23	**(44,350)**	(33,018)	(23,090)	**(23,033)**	(23,536)
Retained profits		**17,217**	145	246	**31,187**	29,724
Total equity		**218,530**	216,298	232,140	**253,817**	255,359

* See Note 2.2 for details about changes in accounting policies.

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Share capital $'000	Treasury shares $'000	Share option reserve $'000	Currency translation reserve $'000	Capital reserve $'000	Hedging reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 April 2016, as previously reported		**265,332**	**(16,161)**	**1,013**	**(42,788)**	**5,919**	**(966)**	**79,515**	**291,864**
Impact of adoption of FRS 115 on previously reported reserves as at 1 April 2015	2.2	–	–	–	1,208	–	–	(65,923)	(64,715)
Impact of adoption of FRS 115 on previously reported results for the financial year ended 31 March 2016	2.2	–	–	–	2,596	–	–	(13,447)	(10,851)
Total Impact of adoption of FRS 115 on previously reported balances		**–**	**–**	**–**	**3,804**	**–**	**–**	**(79,370)**	**(75,566)**
Balance at 1 April 2016, as restated*		**265,332**	**(16,161)**	**1,013**	**(38,984)**	**5,919**	**(966)**	**145**	**216,298**
Profit for the year		–	–	–	–	–	–	23,743	23,743
Other comprehensive income/(loss) for the year		–	–	–	(12,175)	–	340	–	(11,835)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(12,175)**	**–**	**340**	**23,743**	**11,908**
Purchase of treasury shares	22(a)	–	(3,693)	–	–	–	–	–	(3,693)
Treasury shares issued	22(b)	–	185	(162)	–	(23)	–	–	–
Share-based compensation	23	–	–	688	–	–	–	–	688
Dividends	24	–	–	–	–	–	–	(6,671)	(6,671)
Total transactions with owners, recognised directly in equity		**–**	**(3,508)**	**526**	**–**	**(23)**	**–**	**(6,671)**	**(9,676)**
Balance at 31 March 2017		**265,332**	**(19,669)**	**1,539**	**(51,159)**	**5,896**	**(626)**	**17,217**	**218,530**
Balance at 1 April 2015, as previously reported		**265,332**	**(10,348)**	**881**	**(30,205)**	**5,962**	**(936)**	**66,169**	**296,855**
Impact of adoption of FRS 115 on previously reported reserves as at 1 April 2015	2.2	–	–	–	1,208	–	–	(65,923)	(64,715)
Balance at 1 April 2015, as restated*		**265,332**	**(10,348)**	**881**	**(28,997)**	**5,962**	**(936)**	**246**	**232,140**
Profit for the year, restated*		–	–	–	–	–	–	6,831	6,831
Other comprehensive loss for the year		–	–	–	(9,987)	–	(30)	–	(10,017)
Total comprehensive income/(loss) for the year		**–**	**–**	**–**	**(9,987)**	**–**	**(30)**	**6,831**	**(3,186)**
Purchase of treasury shares	22(a)	–	(6,110)	–	–	–	–	–	(6,110)
Treasury shares issued	22(b)	–	297	(254)	–	(43)	–	–	–
Share-based compensation	23	–	–	386	–	–	–	–	386
Dividends	24	–	–	–	–	–	–	(6,932)	(6,932)
Total transactions with owners, recognised directly in equity		**–**	**(5,813)**	**132**	**–**	**(43)**	**–**	**(6,932)**	**(12,656)**
Balance at 31 March 2016, as restated*		**265,332**	**(16,161)**	**1,013**	**(38,984)**	**5,919**	**(966)**	**145**	**216,298**

* See Note 2.2 for details about changes in accounting policies.

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 $'000	2016 Restated* $'000
Cash flows from operating activities			
Net profit		**23,743**	6,831
Adjustments for:			
– Income tax expense		**7,936**	5,057
– Depreciation and amortisation		**12,745**	13,462
– Amortisation of deferred income		**(2,573)**	(2,598)
– Interest expense		**19,730**	21,382
– Interest income		**(3,173)**	(2,484)
– Amortisation of borrowing costs		**978**	1,686
– Loss on disposal of property, plant and equipment and intangible assets, net		**510**	576
– Share-based compensation		**688**	386
– Changes in fair value of derivative financial instruments		**374**	–
– Foreign currency translation differences		**(860)**	(2,005)
Operating cash flow before working capital changes		**60,098**	42,293
Changes in working capital			
– Inventories		**(3,187)**	3,545
– Trade and other receivables		**(22,597)**	(37,544)
– Deferred costs		**(1,180)**	(213)
– Trade and other payables		**13,927**	24,715
– Deferred revenue		**4,546**	2,984
Cash generated from operations		**51,607**	35,780
Income tax paid		**(6,113)**	(6,354)
Net cash generated from operating activities		**45,494**	29,426
Cash flows from investing activities			
Additions to property, plant and equipment		**(8,528)**	(11,265)
Additions to intangible assets		**(1,356)**	(1,146)
Proceeds from sale of property, plant and equipment		**131**	10
Interest received		**3,130**	2,406
Net cash used in investing activities		**(6,623)**	(9,995)
Cash flows from financing activities			
(Repayment of)/proceeds from bond issue		**(125,120)**	74,468
Proceeds from syndicated senior loan		**4,327**	30,423
Repayment of finance lease liabilities		**(595)**	(1,242)
Proceeds from term loan		**7,894**	14,699
Repayment of term loan		**(469)**	(472)
Proceeds from/(repayment of) loan received on asset securitisation		**57,378**	(69,138)
Decrease/(increase) in fixed deposits pledged as securities for banking facilities		**828**	(3,903)
Interest paid		**(19,529)**	(18,700)
Purchase of treasury shares		**(3,693)**	(6,110)
Dividends paid		**(6,671)**	(6,932)
Net cash (used in)/provided by financing activities		**(85,650)**	13,093
Net (decrease)/increase in cash and cash equivalents		**(46,779)**	32,524
Cash and cash equivalents at beginning of financial year		**141,770**	112,383
Effects of currency translation on cash and bank balances		**(1,174)**	(3,137)
Cash and cash equivalents at end of financial year	11	**93,817**	141,770

* See Note 2.2 for details about changes in accounting policies.

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

COURTS Asia Limited (the "Company"), which is incorporated and domiciled in Singapore, is listed on the Singapore Exchange. The address of its registered office is 50 Tampines North Drive 2, Singapore 528766.

The principal activity of the Company is that of an investment holding company and in the business of managing and developing trademarks. The principal activities of its subsidiaries are set out in Note 31 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Early adoption of new accounting standard

The Group has elected to early adopt FRS 115 *Revenue from Contracts with Customers*. In accordance with the transition provisions in FRS 115, the new rules have been adopted retrospectively and the comparatives for the financial year ended 31 March 2016 have been restated. See Note 2.2 below for further details on the impact of the change in accounting policy.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

Early adoption of FRS 115 Revenue from Contracts with Customers

The Group has early adopted FRS 115 as issued in December 2014, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The main changes are explained below.

(i) Accounting for service charge income from credit sales

(a) Accounting for significant financing component

The Group's credit sales provide its customers with a significant benefit of financing the goods and services sold. The Group earns service charge income arising from the provision of this significant financing benefit to customers.

In previous reporting periods, service charge income on the Group's credit sales were recognised over the credit period at a constant periodic rate of return on the outstanding receivables after deducting the incremental costs directly attributable to the acquisition of credit sales (see Note 2.2(i)(b) below).

Under FRS 115, when a transaction contains a significant financing component, the transaction price is required to be adjusted using a discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. That rate would reflect the credit characteristics of the party receiving financing in the contract.

(b) Accounting for consideration payable to customer

The Group offers promotions on its credit sales, including cashback, vouchers and gift cards. These promotions are only offered to credit customers.

In previous reporting periods, these promotional costs were assessed to be incremental costs that were directly attributable to the acquisition of the credit sales. These costs were included as part of the effective interest calculation for service charge income on credit sales.

Under FRS 115, consideration payable to a customer, which includes cashback, vouchers and gift cards, are accounted for as a reduction of the transaction price and therefore, of revenue.

(ii) Accounting for other services income

The Group offers its customers the option of purchasing other services (including extended warranty, instalment waiver, instant replacement, installation, cleaning and digital infocomm services etc) along with the purchase of merchandise. When such service obligations arise, the Group subcontracts these service obligations to third party service providers, thereby transferring the financial risk arising from these obligations to third parties. From time to time, the Group also offers promotions in which other services are provided to customers together with the purchase of merchandise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

Early adoption of FRS 115 Revenue from Contracts with Customers (Continued)

(ii) Accounting for other services income (Continued)

In previous reporting periods, revenue from the sale of other services was recognised at the time of sale. The costs incurred for subcontracting these service obligations to third parties were also recognised at the time of sale.

Under FRS 115, revenue is allocated to the service obligations and is deferred and recognised over the period covered by the period of the other services. The cost of subcontracting these service obligations to third party service providers is similarly deferred and recognised over the service period. The unearned revenue from the sale of such other services and the corresponding cost of subcontracting these service obligations are deferred and classified as deferred revenue and deferred costs respectively on the balance sheet. The deferred revenue balance would be recognised as revenue as the related services are rendered. The deferred costs balance would be amortised and recognised as expenses on a basis consistent with the revenue recognition of the other services to which the costs relates. Costs which are not incremental to the other services contracts are expensed as incurred.

(iii) Income tax consequence on adoption of FRS 115

Following the adoption of FRS 115, certain revenue and related expenses, which were previously recognised in the income statement, are deferred. The related income tax previously paid on these profits are accounted for either as an income tax recoverable or deferred tax assets, depending on available guidance issued by the respective local tax authorities.

Where preliminary guidance has been provided by the local tax authorities, the related tax effect was accounted for as an income tax recoverable, amounting to $3,466,000 (31 March 2016: $3,343,000) (Note 9(b)). In the absence of guidance, the related income tax effect was accounted for as a deferred tax asset, amounting to $16,115,000 (31 March 2016: $17,052,000) (Note 18), which will be recovered upon the subsequent recognition of the profits.

Reclassification of expense line items within the consolidated income statement

Certain comparative figures in the consolidated income statement have been reclassified to align the classification of cost of sales and expense line items across the Group. There is no impact on the Group's profit before income tax and net profit arising from the reclassification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

Summary of financial impact

The change in accounting policy and reclassification of expense line items were applied retrospectively and the effects on the Group's prior year reported financial balances arising from (1) the adoption of FRS 115 and (2) the reclassification of expense line items are as follows:

Consolidated Income Statement

For the year ended 31 March 2016	As previously reported $'000	Impact of changes in accounting policy: Adoption of FRS 115 $'000	Impact of changes in accounting policy: Reclassification of expenses $'000	As restated $'000
Revenue	770,367	(18,478)	–	751,889
Cost of sales	(517,268)	262	19,124	(497,882)
Gross profit	253,099	(18,216)	19,124	254,007
Other income and other gains/(losses) – net	3,568	–	844	4,412
Expenses				
– Distribution and marketing	(57,305)	–	(4,804)	(62,109)
– Administrative	(144,280)	684	(15,164)	(158,760)
– Finance	(25,662)	–	–	(25,662)
Profit before income tax	29,420	(17,532)	–	11,888
Income tax expense	(9,142)	4,085	–	(5,057)
Net profit	20,278	(13,447)	–	6,831

Basic and Diluted Earnings per Share

For the year ended 31 March 2016	As previously reported	Impact of changes in accounting policy: Adoption of FRS 115	As restated
Earnings per share for results attributable to equity holders of the Company (cents per share)			
Basic earnings per share	3.82	(2.53)	1.29
Diluted earnings per share	3.79	(2.51)	1.28

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

Summary of financial impact (Continued)

Consolidated Balance Sheet (financial line items which were impacted)

	Impact of changes in accounting policy		
	As previously reported $'000	Adoption of FRS 115 $'000	As restated $'000
1 April 2015			
Trade and other receivables – current	245,062	(20,449)	224,613
Trade and other receivables – non-current	262,309	(19,292)	243,017
Deferred costs – current	–	8,265	8,265
Deferred costs – non-current	–	10,823	10,823
Deferred revenue – current	–	(25,232)	(25,232)
Deferred revenue – non-current	–	(35,962)	(35,962)
Current income tax recoverable	3,035	1,888	4,923
Current income tax liabilities	(4,011)	1,537	(2,474)
Deferred income tax assets	2,202	12,932	15,134
Deferred income tax liabilities	(4,057)	775	(3,282)
Retained profits	(66,169)	65,923	(246)
Other reserves	24,298	(1,208)	23,090
31 March 2016			
Trade and other receivables – current	249,178	(29,780)	219,398
Trade and other receivables – non-current	290,327	(22,655)	267,672
Deferred costs – current	–	8,331	8,331
Deferred costs – non-current	–	10,586	10,586
Deferred revenue – current	–	(26,788)	(26,788)
Deferred revenue – non-current	–	(35,654)	(35,654)
Current income tax recoverable	428	1,972	2,400
Current income tax liabilities	(3,506)	1,370	(2,136)
Deferred income tax assets	4,968	12,382	17,350
Deferred income tax liabilities	(7,590)	4,670	(2,920)
Retained profits	(79,515)	79,370	(145)
Other reserves	36,822	(3,804)	33,018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

Summary of financial impact (Continued)

Consolidated Statement of Cash Flows

For the year ended 31 March 2016	As previously reported $'000	Impact of changes in accounting policy Adoption of FRS 115 $'000	As restated $'000
Cash flows from operating activities			
Net profit	20,278	(13,447)	6,831
Adjustments for:			
– Income tax expense	9,142	(4,085)	5,057
– Depreciation and amortisation	13,462	–	13,462
– Amortisation of deferred income	(2,598)	–	(2,598)
– Interest expense	21,382	–	21,382
– Interest income	(2,484)	–	(2,484)
– Amortisation of borrowing costs	1,686	–	1,686
– Loss on disposal of property, plant and equipment and intangible assets, net	576	–	576
– Share-based compensation	386	–	386
– Foreign currency translation differences	(2,005)	–	(2,005)
Operating cash flow before working capital changes	59,825	(17,532)	42,293
Changes in working capital			
– Inventories	3,545	–	3,545
– Trade and other receivables	(52,305)	14,761	(37,544)
– Deferred costs	–	(213)	(213)
– Trade and other payables	24,715	–	24,715
– Deferred revenue	–	2,984	2,984
Cash generated from operations	35,780	–	35,780
Income tax paid	(6,354)	–	(6,354)
Net cash generated from operating activities	29,426	–	29,426
Cash flows from investing activities			
Additions to property, plant and equipment	(11,265)	–	(11,265)
Additions to intangible assets	(1,146)	–	(1,146)
Proceeds from sale of property, plant and equipment	10	–	10
Interest received	2,406	–	2,406
Net cash used in investing activities	(9,995)	–	(9,995)
Cash flows from financing activities			
Proceeds from bond issue	74,468	–	74,468
Proceeds from syndicated senior loan	30,423	–	30,423
Repayment of finance lease liabilities	(1,242)	–	(1,242)
Proceeds from term loan	14,699	–	14,699
Repayment of term loan	(472)	–	(472)
Repayment of loan on asset securitisation	(69,138)	–	(69,138)
Increase in fixed deposits pledged as securities for banking facilities	(3,903)	–	(3,903)
Interest paid	(18,700)	–	(18,700)
Purchase of treasury shares	(6,110)	–	(6,110)
Dividends paid	(6,932)	–	(6,932)
Net cash provided by financing activities	13,093	–	13,093
Net increase in cash and cash equivalents	32,524	–	32,524
Cash and cash equivalents at beginning of financial year	112,383	–	112,383
Effects of currency translations on cash and bank balances	(3,137)	–	(3,137)
Cash and cash equivalents at end of financial year	141,770	–	141,770

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition

(a) Sale of goods

The Group operates a chain of retail stores selling household furniture, furnishings, home appliances, lifestyle products, information technology products and general merchandise. Revenue from the sale of goods is recognised when a Group entity sells a product to the customer and control of the product has transferred, being when the products are delivered to the customer.

It is the Group's policy to sell its products to the end customer with a right of return within up to 30 days. Accumulated experience is used to estimate such returns at the time of sale (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. No contract liability (refund liability) nor the right to the returned goods are recognised for the products expected to be returned as the return rate is assessed to be insignificant, based on accumulated experience of the Group.

(i) Cash sales

For cash sales, payment of the transaction price is due immediately when the goods are delivered to the customer. Revenue from these sales is recognised based on the price specified in the contract, net of rebates and discounts.

(ii) Credit sales

An element of significant financing is deemed present for the Group's credit sales, as the payment terms provide customers with a significant benefit of financing.

The Group adjusts the promised consideration (total future instalment payments receivable) for the effects of the significant financing component using the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception.

The significant financing component is recognised as service charge income over the credit period using the effective interest applicable at the inception date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (Continued)

(b) Sale of other services

The Group offers its customers the option of purchasing other services (including extended warranty, instalment waiver, instant replacement, installation, cleaning and digital infocomm services etc) along with the purchase of merchandise. When such service obligations arise, the Group subcontracts these service obligations to third party service providers, thereby transferring the financial risk arising from these obligations to third parties. From time to time, the Group also offers promotions in which other services are provided to customers together with the purchase of merchandise.

Revenue is allocated to the service obligations and is deferred and recognised over the period covered by the period of the other services. The cost of subcontracting these service obligations to third party service providers is similarly deferred and recognised over the service period. The unearned revenue from the sale of such other services and the corresponding cost of subcontracting these service obligations are deferred and classified as deferred revenue and deferred costs respectively on the balance sheet. The deferred revenue balance would be recognised as revenue as the related services are rendered. The deferred costs balance would be amortised and recognised as expenses on a basis consistent with the revenue recognition of the other services to which the costs relates. Costs which are not incremental to the other services contracts are expensed as incurred.

(c) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(d) Interest income from bank deposits

Interest income from bank deposits is recognised using the effective interest method.

(e) Tracing and referencing income

Tracing and referencing income is recognised when such services are rendered.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purposes other than to produce inventories.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line or reducing balance method to allocate the depreciable amounts over their estimated useful lives. The basis of depreciation and estimated useful lives are as follows:

	Basis of depreciation	Useful lives
Furniture, fixtures, fittings and equipment	Straight-line	3 – 10 years
Motor vehicles	Reducing balance	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other income and other gains/(losses) – net".

2.6 Intangible assets

(a) *Acquired computer software licences*

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years.

The amortisation period and amortisation method of acquired computer software licences are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(b) *Acquired trademarks*

Trademarks acquired in a business combination are initially recognised at fair value. The COURTS trademarks in Singapore and Malaysia are regarded as having indefinite useful lives, as management is expecting to continue the related businesses indefinitely and those trademarks are leaders in their markets. Such trademarks are not amortised and are tested for impairment annually (Note 2.9).

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method, except for those costs that are directly attributable to the acquisition or construction of an asset that takes a substantial period of time to be ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

2.9 Impairment of non-financial assets

Intangible assets
Property, plant and equipment
Investments in subsidiaries
Deferred costs

Intangible assets, property, plant and equipment, investments in subsidiaries and deferred costs are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. Intangible assets with indefinite useful life are tested for impairment annually.

For the purpose of impairment testing of these assets, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset 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 amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Cash and bank balances

Trade and other receivables

Cash and bank balances and trade and other receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

Management reviews the Group's trade receivables for objective evidence of impairment at least quarterly. An allowance for impairment is established when there is objective evidence that the trade receivables have been impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

For trade receivables, impairment loss is determined based on the review of the current status of the existing receivables and historical collection experience. Since the Group has a diversified customer base with a large number of individuals, management uses estimates based on historical loss experience for receivables with similar credit risk characteristics taking into consideration observable data at the balance sheet date. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to minimise any differences between the estimated loss and actual loss experience.

The carrying amount of these receivables is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

Trade and other receivables are presented as current assets, except for those expected to be realised 12 months after the balance sheet date which are presented as non-current assets.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if the payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.13 Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently carried at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group's borrowings expose it to the financial risks of changes in interest rates and foreign exchange rates.

The Group has entered into interest rate swaps and cross currency interest rate swaps that are cash flow hedges for the Group's exposure to floating interest rates and foreign exchange rates on its bank borrowings. These contracts oblige the Group to pay interest at fixed rates on notional principal amounts and entitle the Group to receive interest at floating rates on the same notional principal amounts, thus allowing the Group to raise these borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of derivatives designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged items are recognised in profit or loss. The fair value changes on the ineffective portion are recognised immediately in profit or loss.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of derivatives is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases

(a) *When the Group is the lessee:*

The Group leases retail sites, offices and warehouses under operating leases from non-related parties. The Group also leases certain furniture, fixtures, fittings and equipment under finance leases from non-related parties.

(i) *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are capitalised as pre-payments and recognised in profit or loss over the lease term on a straight-line basis.

(ii) *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as furniture, fixtures, fittings and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) *When the Group is the lessor:*

The Group sub-leases retail sites and outlets under operating leases to non-related parties.

Lessor – Operating leases

Leases of sub-lease properties to non-related parties are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Contingent rents are recognised as income in profit or loss when earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries except when the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Provisions (Continued)

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.18 Deferred income

Suppliers' contributions for the purchase of plant and equipment are recorded initially as deferred income. Deferred income is then recognised in profit or loss over the periods necessary to match the depreciation of the plant and equipment purchased with suppliers' contributions. Upon disposal of these assets, any outstanding amount in deferred income will be recognised in profit or loss.

2.19 Employee compensation

(a) Defined benefit plan

A defined benefit plan is a post-employment benefit pension plan other than defined contribution plans. A defined benefit plan typically defines the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date, in accordance with labour laws of the country. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (considering that currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related post-employment benefit obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee compensation (Continued)

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(d) Share-based compensation

(i) COURTS Pre-IPO Share Appreciation Rights Plan ("the SAR Plan")

Share Appreciation Rights ("SAR") represents the right to receive fully-paid ordinary shares of the Company at zero exercise price.

The fair value of the SAR at the grant date is recognised as a share-based compensation expense in profit or loss with a corresponding increase in the share option reserve over the vesting period.

The number of fully-paid ordinary shares of the Company to be awarded under the SAR Plan is determined at the date of exercise. At the date of exercise, if the share price is higher than the grant date share price, the excess is the value for conversion into an equivalent number of fully-paid ordinary shares issued at the exercise date share price. In the event that the share price at the time of exercise is equal or less than the grant date share price, no shares will be awarded to the participants.

If the performance condition is a market condition, the probability of the performance condition being met is taken into account in estimating the fair value of the ordinary shares granted at the grant date. The compensation cost is charged to profit or loss on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the SAR Plan over the prescribed vesting periods from the date of grant. No adjustments to the amounts charged to the profit or loss are made whether or not the market condition is met.

For SAR grants with non-market conditions, the Company revises its estimates of the number of SAR expected to vest and corresponding adjustments are made to the profit or loss and share option reserve. The Company assesses this change at the end of each financial reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee compensation (Continued)

(d) Share-based compensation (Continued)

(ii) COURTS Strategic Deferred Share Award ("DSA")

The DSA grants employees the right to receive fully-paid ordinary shares of the Company at zero exercise price. The DSA awards the employees fully-paid ordinary shares of the Company, free of charge, provided that the employees remain in service at the expiry of the prescribed vesting periods.

The fair value of the award granted is recognised as a share-based compensation expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The fair value amount is determined by reference to the fair value of the award at grant date. The number of fully-paid ordinary shares to be awarded under the DSA is determined at the grant date.

The DSA is a time-based share award without performance conditions. The vesting of the DSA is conditional on the employees remaining in service at the expiry of the prescribed vesting period. Once they have vested, each DSA is converted into a fully-paid ordinary share of the Company at zero exercise price.

(iii) Performance Share Award ("PSA")

The PSA grants employees the right to receive fully-paid ordinary shares of the Company at zero exercise price. The PSA awards the employees fully-paid ordinary shares of the Company, free of charge, provided that the employees remain in service at the expiry of the prescribed vesting periods.

The fair value of the award granted is recognised as a share-based compensation expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The fair value amount is determined by reference to the fair value of the award at grant date. The number of fully-paid ordinary shares to be awarded under the PSA is determined at the grant date.

The PSA is a time-based share award with pre-determined performance conditions to be achieved at end of performance period. No shares will be awarded if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the initial award could be awarded up to a maximum of 200% of the initial award.

The vesting of the PSA is also conditional on the employees remaining in service at the expiry of the prescribed vesting period. Once they have vested, each PSA is converted into a fully-paid ordinary share of the Company at zero exercise price.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee compensation (Continued)

(e) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are classified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.22 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.23 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the carrying amounts are netted off against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.25 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.26 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Fair value estimation of financial assets and liabilities (Continued)

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of interest rate swaps and interest rate caps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Revenue recognition with significant financing component

The Group's credit sales provide its customers with a significant benefit of financing the goods and services sold. The Group earns service charge income arising from the provision of this significant financing benefit to customers.

Under FRS 115, when a transaction contains a significant financing component, the transaction price is required to be adjusted using a discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception ("market rate"). The market rate would reflect the credit characteristics of the party receiving financing in the contract.

Significant judgements were used to estimate the market rate applied in adjusting the transaction prices of the Group's credit sales. In making these estimates, management evaluated, among other factors, characteristics of its credit customers, market observable borrowing rates of alternative financing available to its credit customers and historical performance of its portfolio.

If the estimated market rate for the year ended 31 March 2017 had been 1% higher/lower than management's estimates, the Group would have recognised $4,609,000 lower/higher profit before tax for credit sales entered into during the year ended 31 March 2017.

(b) Impairment of trade receivables

Management reviews the Group's trade receivables (Note 13) for objective evidence of impairment at least quarterly. An allowance for impairment is established when there is objective evidence that the trade receivables have been impaired.

Since the Group has a diversified customer base with a large number of individuals, for purpose of collective evaluation of impairments, receivables are grouped based on similar credit characteristics.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Impairment of trade receivables (Continued)

Impairment loss is determined based on the review of current status of the existing receivables and historical collection experience. In determining this, management uses estimates based on historical loss experience for receivables with similar credit risk characteristics taking into consideration observable data at the balance sheet date. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to minimise any differences between the estimated loss and actual loss experience.

(c) Income taxes

(i) Income tax recoverable and deferred tax assets arising from adoption of FRS 115

Following the adoption of FRS 115, certain revenue and related expenses, which were previously recognised in the income statement, are deferred. The related income tax previously paid on these profits are accounted for either as an income tax recoverable or deferred tax assets, depending on available guidance issued by the respective local tax authorities.

Where preliminary guidance has been provided by the local tax authorities, the related tax effect was accounted for as an income tax recoverable of $3,466,000 (31 March 2016: $3,343,000) (Note 9(b)). In the absence of guidance, the related income tax effect was accounted for as a deferred tax asset of $16,115,000 (31 March 2016: $17,052,000) (Note 18), which will be recovered upon the subsequent recognition of the profits.

If the local tax authorities regard the related tax effect on the transitional adjustments on initial adoption of FRS 115 as not claimable or deductible in the future, the income tax recoverable of $3,466,000 (31 March 2016: $3,343,000) and deferred tax asset of $16,115,000 (31 March 2016: $17,052,000) will have to be written off as income tax expense.

(ii) Deferred tax assets arising from tax losses carried forward

The Group recognises deferred income tax assets on carried forward tax losses to the extent that there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and amount of future taxable profits and/or taxable temporary differences.

As at 31 March 2017, the Group recognised deferred tax assets of $6.7 million which mainly arose from the tax losses carried forward arising from the Group's subsidiary in Indonesia. These tax losses have an expiry of 5 years from the year originally incurred.

In forming its judgement, management considered the assumptions used in arriving at the subsidiary's forecasted performance over the next five years. These assumptions include the implementation of management's turnaround plan for the subsidiary, the relevant future economic growth rate of Indonesia and achieving the target sales mix (i.e., cash and credit sales).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

		The Group	
		2017	2016 Restated*
		$'000	$'000
Revenue from contracts with customers	Note 4(a)	**740,539**	751,889

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product/service lines and geographical regions:

	Reportable segments							
	Singapore		Malaysia		Indonesia		Consolidated	
	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*	2017	2016 Restated*
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Major product/ service lines								
Sales of goods	**458,172**	475,082	**146,241**	160,210	**23,200**	14,232	**627,613**	649,524
Service charge income	**19,286**	16,418	**62,423**	56,593	**1,663**	1,463	**83,372**	74,474
Other services contracts	**13,572**	13,104	**15,619**	14,636	**363**	151	**29,554**	27,891
	491,030	504,604	**224,283**	231,439	**25,226**	15,846	**740,539**	751,889
Timing of revenue recognition								
At a point in time	**458,172**	475,082	**146,241**	160,210	**23,200**	14,232	**627,613**	649,524
Over time	**32,858**	29,522	**78,042**	71,229	**2,026**	1,614	**112,926**	102,365
	491,030	504,604	**224,283**	231,439	**25,226**	15,846	**740,539**	751,889

* See Note 2.2 for details about changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(b) Deferred costs and revenue

The Group has recognised the following deferred costs and revenue from contracts with customers.

	Note	31 March 2017 $'000	31 March 2016 Restated* $'000	1 April 2015 Restated* $'000
Deferred costs – Costs incurred to obtain or fulfil other services contracts	(i), (ii)			
– Current		**8,284**	8,331	8,265
– Non-current		**11,271**	10,586	10,823
Total deferred costs		**19,555**	18,917	19,088
Deferred revenue – Unearned revenue arising from other services contracts	(i), (iii), (iv)			
– Current		**27,167**	26,788	25,232
– Non-current		**37,604**	35,654	35,962
Total deferred revenue		**64,771**	62,442	61,194

* See Note 2.2 for details about changes in accounting policies.

(i) Significant changes in deferred costs and deferred revenue

Deferred costs increased by $638,000 due to higher costs of subcontracting service obligations to third party service providers incurred as a result of higher sales of other services during the current financial year.

Deferred revenue increased by $2,329,000 due to higher sales of other services during the current financial year.

(ii) Deferred costs asset recognised for costs incurred to obtain or fulfil other services contracts

Management expects that incremental costs incurred to obtain or fulfil the other services contracts are recoverable. The Group has therefore capitalised them as deferred costs amounting to $19,555,000 as at 31 March 2017 (31 March 2016: $18,917,000). Costs which are not incremental to the other services contracts are expensed as incurred.

These deferred costs are amortised and recognised as expenses on a basis consistent with the revenue recognition of the other services to which the costs relates. An amount of $8,054,000 (2016: $8,063,000) was recognised as cost of providing the other services during the current financial year ended 31 March 2017. Costs which are not incremental to the other services contracts are expensed as incurred. There was no impairment loss in relation to the costs capitalised for the year ended 31 March 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(b) Deferred and costs and revenue (Continued)

(iii) Revenue recognised in relation to carried-forward deferred revenue

The following table shows the amount of revenue recognised in the current reporting period that relates to carried-forward deferred revenue balance at beginning of the period.

	The Group	
	2017	2016 Restated*
	$'000	$'000
Other services contracts	**29,554**	**27,891**

* See Note 2.2 for details about changes in accounting policies.

(iv) Revenue expected to be recognised in relation to unsatisfied performance obligations

The following table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the balance sheet date.

Expected timing of recognition	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	Total $'000
Other services	27,167	20,521	10,350	5,464	1,269	64,771

The Group applied the practical expedient under paragraph C5(d) of FRS 115 and did not disclose the amount of the transaction price allocated to unsatisfied (or partially satisfied) performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 March 2016.

5. OTHER INCOME AND OTHER GAINS/(LOSSES) – NET

	The Group	
	2017	2016 Restated*
	$'000	$'000
Rental income	**1,154**	785
Interest income	**3,173**	2,484
Tracing and referencing	**1,042**	1,097
Others	**1,143**	622
Other income	**6,512**	4,988
Loss on disposal of property, plant and equipment and intangible assets (net)	**(510)**	(576)
Change in fair value of derivative financial instruments	**(374)**	–
Other losses	**(884)**	(576)
Other income and other gains/(losses) – net	**5,628**	4,412

* See Note 2.2 for details about changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. EXPENSES BY NATURE

	The Group	
	2017	2016 Restated*
	$'000	$'000
Purchases of inventories	**448,552**	480,156
Changes in inventories	**3,226**	(3,614)
Employee compensation (Note 7)	**72,494**	72,068
Impairment loss on trade receivables (Note 26(b)(ii))	**26,332**	18,797
Rental on operating leases	**44,300**	45,728
Contingent rental on operating leases	**1,735**	1,094
Warehousing and distribution	**19,830**	20,970
Advertising	**20,737**	25,700
Bank charges	**7,035**	7,043
Depreciation of property, plant and equipment (Note 16)	**11,112**	11,731
Amortisation of intangible assets (Note 17(a))	**1,633**	1,731
Audit fees:		
– Auditor of the Company	**402**	380
Non-audit fees:		
– Auditor of the Company	**299**	213
Others	**35,975**	36,754
Total cost of sales, distribution and marketing, and administrative expenses	**693,662**	718,751

* See Note 2.2 for details about changes in accounting policies.

7. EMPLOYEE COMPENSATION

	The Group	
	2017	2016
	$'000	$'000
Wages and salaries	**61,441**	60,086
Employer's contributions to defined contribution plans	**7,507**	8,720
Share-based compensation (Note 23)	**688**	386
Defined benefit plans (Note 19(c))	**6**	130
Other benefits	**2,852**	2,746
	72,494	72,068

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

8. FINANCE EXPENSE

	The Group	
	2017	**2016**
	$'000	**$'000**
Interest expense:		
– borrowings	**19,712**	21,323
– amortisation of borrowing cost	**978**	1,686
– finance lease liabilities	**18**	59
Currency translation loss – net	**118**	2,594
	20,826	25,662

9. INCOME TAX

(a) Income tax expense

	The Group	
	2017	**2016**
		Restated*
	$'000	**$'000**
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
– Singapore	**8,225**	4,613
– Foreign	**5,215**	3,741
	13,440	8,354
Deferred income tax (Note 18)		
– Singapore	**(1,191)**	(1,443)
– Foreign	**(3,828)**	(1,933)
	(5,019)	(3,376)
Total tax expense relating to profit for the financial year	**8,421**	4,978
(Over)/under provision in prior financial years:		
Current income tax		
– Singapore	**(212)**	51
– Foreign	**(715)**	–
	(927)	51
Deferred income tax (Note 18)		
– Singapore	**442**	28
Total income tax expense	**7,936**	5,057

* See Note 2.2 for details about changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

9. INCOME TAX (CONTINUED)

(a) Income tax expense (Continued)

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

	The Group	
	2017	2016 Restated*
	$'000	$'000
Profit before income tax	**31,679**	11,888
Tax calculated at tax rate of 17% (2016: 17%)	**5,385**	2,021
Effects of:		
– Different tax rates in other countries	**(324)**	(370)
– Expenses not deductible for tax purposes	**2,645**	4,247
– Income not subject to tax	**(308)**	(363)
– Productivity and innovation tax incentives	**(29)**	(557)
Deferred tax asset written-off (Note 18)	**1,052**	–
Tax charge	**8,421**	4,978

* See Note 2.2 for details about changes in accounting policies.

(b) Movement in current income tax liabilities/(recoverable) – net

	The Group		The Company	
	2017	2016 Restated*	2017	2016
	$'000	$'000	$'000	$'000
Beginning of financial year	**(264)**	(2,449)	**2,131**	2,474
Income tax paid	**(6,113)**	(6,354)	**(2,808)**	(3,282)
Tax expense on profit for the year	**13,440**	8,354	**2,765**	3,147
(Over)/under provision in prior financial years	**(927)**	51	**336**	(208)
Group relief	**(636)**	–	**(653)**	–
Currency translation differences	**(153)**	134	**-**	–
End of financial year	**5,347**	(264)	**1,771**	2,131
Current income tax recoverable	**-**	2,400	**-**	–
Current income tax liabilities	**5,347**	2,136	**1,771**	2,131

* See Note 2.2 for details about changes in accounting policies.

Included in the Group's current net income tax liabilities/(recoverable) balance above is an amount of income tax recoverable of $3,466,000 (31 March 2016: $3,343,000) relating to the pending income tax refund from local tax authorities arising from the transitional adjustments on adoption of FRS 115 (Note 2.2).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

10. EARNINGS PER SHARE

Earnings per share is calculated by dividing net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding ordinary shares held as treasury shares (Note 22), during the financial year:

	2017		2016	
	Basic	Diluted	Basic Restated*	Diluted Restated*
	$'000	$'000	$'000	$'000
Net profit attributable to equity holders of the Company	**23,743**	**23,743**	6,831	6,831
	Number of shares		Number of shares	
	'000	'000	'000	'000
Weighted average number of shares excluding treasury shares for basic earnings per share	**516,848**	**516,848**	530,377	530,377
Adjustments for:				
– Share options: DSA Plan	**-**	**755**	–	185
– Share options: PSA Plan	**-**	**7,761**	–	3,911
Weighted average number of shares used to compute earnings per share	**516,848**	**525,364**	530,377	534,473
Earnings per share (cents)	**4.59**	**4.52**	**1.29**	**1.28**

* See Note 2.2 for details about changes in accounting policies.

11. CASH AND BANK BALANCES

	The Group		The Company	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	$'000	$'000	$'000	$'000
Cash at bank and on hand	**74,680**	72,712	**18,948**	11,489
Fixed deposits with financial institutions	**24,048**	74,797	**14,000**	66,000
	98,728	147,509	**32,948**	77,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

11. CASH AND BANK BALANCES (CONTINUED)

For the purpose of presenting the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	The Group	
	31 March 2017 $'000	31 March 2016 $'000
Cash and bank balances (as above)	**98,728**	147,509
Less: Deposits placed as security for certain bank borrowings (Note 20(a)(iii))	**(4,911)**	(5,739)
Cash and cash equivalents per consolidated statement of cash flows	**93,817**	141,770

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into derivative financial instrument contracts to partially hedge the interest rate risk that arises from its borrowings. The notional principal amounts and the fair values of the Group's outstanding derivative financial instruments at the balance sheet date are as follows:

	Contract notional amount	Fair value	
	$'000	Asset $'000	Liability $'000
The Group			
31 March 2017			
Derivatives held for hedging			
– Interest rate swaps	**104,465**	**63**	**(376)**
Derivatives not held for hedging			
– Interest rate cap	**70,000**	**76**	**-**
Total		**139**	**(376)**
– Current portion		**-**	**(276)**
– Non-current portion		**139**	**(100)**
Total		**139**	**(376)**
31 March 2016			
Derivatives held for hedging			
– Interest rate swaps	112,114	825	(816)
Total		825	(816)
– Current portion		–	(544)
– Non-current portion		825	(272)
Total		825	(816)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

12. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

On 27 February 2015, the Malaysia subsidiary entered into an interest rate swap ("IRS") with a notional amount of RM192,500,000 (S$60,783,000) ("IRS1") to hedge its exposure to interest rate risk on its renewed syndicated senior loan ("SSL1") (Note 20(a)(iii)). On 31 July 2015, the Malaysia subsidiary entered into another contract with notional amount of RM75,000,000 (S$23,682,000) ("IRS2"). These contracts entitle the Malaysia subsidiary to pay interest at fixed rate on the same notional principal amounts, thus allowing the Malaysia subsidiary to raise borrowing at floating rate and swap them into fixed rate.

These IRS have a call feature (i.e. an option to terminate) which can be exercised by the Malaysia subsidiary upon declaration of an early amortisation event or following the commencement of the amortisation period to terminate the prevailing outstanding cash flows in whole, but not in part, on any call date (i.e. each monthly settlement date from and including 30 August 2017 to but excluding the termination date) with not less than 2 business days' prior notice.

The Malaysia subsidiary has designated these IRS as hedging instruments and classified as cash flow hedge. The changes in fair value of these IRS is recognised in the equity as cash flow hedge reserve (Note 23) and continuously released to the profit or loss as part of the interest expense until the repayment of the bank borrowing or maturity of new IRS whichever is earlier.

An Indonesia subsidiary entered into a cross currency interest rate swap with a financial institution with a notional amount of S$20 million (31 March 2016: S$20 million) to convert the floating rate interest and foreign exchange rate into fixed rate Indonesian rupiah borrowings for the remaining balance (Note 20(a)(v)).

The Singapore subsidiary entered into an interest rate cap with a financial institution for a notional amount of S$70 million (31 March 2016: Nil) to limit the exposure to interest rate fluctuation arising from its borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

13. TRADE AND OTHER RECEIVABLES

(a) Current

	The Group			The Company	
	31 March 2017 $'000	31 March 2016 Restated* $'000	1 April 2015 Restated* $'000	31 March 2017 $'000	31 March 2016 $'000
Trade receivables:					
– Non-related parties (including unearned service charges)	**284,243**	261,354	258,300	**-**	–
Less: Unearned service charges	**(59,871)**	(60,873)	(53,192)	**-**	–
	224,372	200,481	205,108	**-**	–
Less: Allowance for impairment of trade receivables	**(13,845)**	(9,521)	(10,826)	**-**	–
Trade receivables – net	**210,527**	190,960	194,282	**-**	–
Other trade receivables	**13,250**	12,650	15,058	**-**	–
Non-trade receivables:					
– Subsidiaries	**-**	–	–	**5,297**	10,389
– Ultimate holding corporation	**-**	61	61	**-**	61
– Other receivables	**2,606**	4,934	5,084	**-**	–
Less: Allowance for impairment of non-trade receivables	**-**	–	–	**(1,215)**	–
Non-trade receivables – net	**15,856**	17,645	20,203	**4,082**	10,450
Loan to a subsidiary	**-**	–	–	**-**	65,200
Rental and other deposits	**5,623**	6,340	6,234	**6**	6
Prepayments:					
– Prepayment of life insurance premium (Note 13(c))	**101**	100	97	**101**	100
– Other prepayments	**3,439**	4,353	3,797	**259**	207
	235,546	219,398	224,613	**4,448**	75,963

* See Note 2.2 for details about changes in accounting policies.

Non-trade receivables from ultimate holding corporation are unsecured, interest-free and repayable on demand. Non-trade receivables from and loans to subsidiaries are unsecured, interest-bearing at 5% (31 March 2016: 5%) per annum and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Non-current

		The Group		The Company	
	31 March 2017 $'000	31 March 2016 Restated* $'000	1 April 2015 Restated* $'000	31 March 2017 $'000	31 March 2016 $'000
Trade receivables:					
Non-related parties (including unearned service charges)	**317,221**	329,396	300,217	**-**	–
Less: Unearned service charges	**(61,625)**	(59,380)	(54,496)	**-**	–
	255,596	270,016	245,721	**-**	–
Less: Allowance for impairment of trade receivables	**(12,244)**	(12,239)	(10,742)	**-**	–
Trade receivables – net	**243,352**	257,777	234,979	**-**	–
Rental and other deposits	**3,454**	3,479	3,606	**-**	–
Loan to a subsidiary	**-**	–	–	**-**	19,250
Prepayments:					
– Other prepayments	**62**	2,055	–	**-**	–
– Prepayment of life insurance premium (Note 13(c))	**667**	767	854	**667**	767
– Cash value receivable from life insurance (Note 13(c))	**3,965**	3,594	3,578	**3,965**	3,594
	251,500	267,672	243,017	**4,632**	23,611

* See Note 2.2 for details about changes in accounting policies.

Non-current trade receivables are due within six years from the balance sheet date.

The loan to a subsidiary by the Company is unsecured and interest-bearing at 6% (31 March 2016: 5%) per annum. The fair value of the loan to a subsidiary approximates the carrying amount and is computed based on cash flows discounted at market rates of 6% (31 March 2016: 5%) per annum. The loan is denominated in Singapore Dollar and repaid in the financial year ended 31 March 2017.

(c) Prepayment of life insurance premium and cash value receivable

This relates to the prepayment of life insurance premium for selected senior executives of the Company where the Company is the beneficiary, and cash value receivable from life insurance represents the surrender cash value of the policies as at balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Prepayment of life insurance premium and cash value receivable (Continued)

The life insurance policies, proceeds of any repayment on the return from premiums by the insurer and proceeds of any payment to the Company under or in connection with the insurance policies has been charged by way of first legal assignment to a financial institution (Note 20(a)(iv)).

	The Group and the Company	
	31 March 2017 $'000	**31 March 2016 $'000**
Prepayment of life insurance premium:		
– Included within other current assets (Note 13(a))	**101**	100
– Included within other non-current assets (Note 13(b))	**667**	767
Cash value receivable from life insurance:		
– Included within other non-current assets (Note 13(b))	**3,965**	3,594

14. INVENTORIES

	The Group	
	31 March 2017 $'000	**31 March 2016 $'000**
Finished goods	**78,780**	77,815

As at 31 March 2017, inventories of a subsidiary, carried at $27,278,000 (31 March 2016: $28,787,000) are subject to a floating charge as security for borrowings (Note 20(a)(iii)).

15. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2017 $'000	**2016 $'000**
Equity investments at cost		
Beginning of financial year	**270,840**	228,114
Additions	**5,305**	42,726
End of financial year	**276,145**	270,840

During the financial year ended 31 March 2017, there was an increase in investment in a wholly-owned subsidiary in Indonesia by way of a cash injection of share capital amounting to $5,305,000 (2016: nil).

In the previous year, there was an increase in investment in a wholly-owned subsidiary in Malaysia through the capitalisation of intercompany loan amounting to $42,726,000.

Details of significant subsidiaries are set out in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

16. PROPERTY, PLANT AND EQUIPMENT

The Group	Furniture, fixtures, fittings and equipment $'000	Motor vehicles $'000	Total $'000
2017			
Cost			
Beginning of financial year	**89,117**	**38**	**89,155**
Additions	**8,528**	**-**	**8,528**
Disposals	**(4,200)**	**(17)**	**(4,217)**
Currency translation differences	**(2,759)**	**(5)**	**(2,764)**
End of financial year	**90,686**	**16**	**90,702**
Accumulated depreciation			
Beginning of financial year	**64,327**	**36**	**64,363**
Depreciation charge (Note 6)	**11,112**	**-**	**11,112**
Disposals	**(3,579)**	**(16)**	**(3,595)**
Currency translation differences	**(2,080)**	**(4)**	**(2,084)**
End of financial year	**69,780**	**16**	**69,796**
Net book value			
At 31 March 2017	**20,906**	**-**	**20,906**

The Group	Furniture, fixtures, fittings and equipment $'000	Motor vehicles $'000	Total $'000
2016			
Cost			
Beginning of financial year	84,926	41	84,967
Additions	11,265	–	11,265
Disposals	(4,210)	–	(4,210)
Currency translation differences	(2,864)	(3)	(2,867)
End of financial year	89,117	38	89,155
Accumulated depreciation			
Beginning of financial year	58,150	39	58,189
Depreciation charge (Note 6)	11,731	–	11,731
Disposals	(3,825)	–	(3,825)
Currency translation differences	(1,729)	(3)	(1,732)
End of financial year	64,327	36	64,363
Net book value			
At 31 March 2016	24,790	2	24,792

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Included in additions in the Group's property, plant and equipment, are furniture, fixture, fittings and equipment acquired under finance lease of $25,000 (2016: $274,000). The carrying amount of furniture, fixtures, fittings and equipment under finance leases are $528,000 (31 March 2016: $1,066,000) at the balance sheet date.

(b) Property, plant and equipment with a net book value of $9,046,000 (31 March 2016: $10,720,000) is subject to a fixed charge as security for a Malaysia subsidiary's borrowings (Note 20(a)(iii)).

17. INTANGIBLE ASSETS

	The Group		The Company	
	31 March 2017 $'000	31 March 2016 $'000	31 March 2017 $'000	31 March 2016 $'000
Composition:				
Computer software licences (Note 17(a))	**3,166**	3,515	**-**	-
Trademarks (Note 17(b))	**20,065**	20,065	**20,065**	20,065
Net book value	**23,231**	23,580	**20,065**	20,065

	The Group	
	2017 $'000	2016 $'000
(a) Computer software licenses		
Cost		
Beginning of financial year	**14,901**	14,748
Additions	**1,356**	1,146
Disposals	**(63)**	(542)
Currency translation differences	**(423)**	(451)
End of financial year	**15,771**	14,901
Accumulated amortisation		
Beginning of financial year	**11,386**	10,282
Amortisation (Note 6)	**1,633**	1,731
Disposals	**(44)**	(341)
Currency translation differences	**(370)**	(286)
End of financial year	**12,605**	11,386
Net book value	**3,166**	3,515

The amortisation charge is included in the consolidated income statement under administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

17. INTANGIBLE ASSETS (CONTINUED)

(b) Trademarks

	The Group and the Company	
	2017	**2016**
	$'000	**$'000**
Beginning and end of financial year	**20,065**	20,065

Trademarks are allocated to the Group's cash-generating units ("CGUs") identified according to countries of operation as follows:

	31 March 2017	31 March 2016
	$'000	**$'000**
Singapore	**14,857**	14,857
Malaysia	**5,208**	5,208
	20,065	20,065

Impairment test for trademarks

The recoverable amount of a CGU is determined based on fair value less cost to sell using the Relief-from-Royalty method. Cash flow projections used in the calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond five-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for fair value less cost to sell calculations:

	2017		2016	
	Singapore	**Malaysia**	**Singapore**	**Malaysia**
Royalty rate[1]	**2.0%**	**2.0%**	0.5%	0.5%
Growth rate[2]	**1.3%**	**2.2%**	2.3%	2.4%
Discount rate[3]	**11.1%**	**14.0%**	15.4%	15.6%

[1] Based on market royalty rate
[2] Weighted average growth rate used to extrapolate cash flows beyond the budget period
[3] Post-tax discount rate applied to the post-tax cash flow projection

Management determined the royalty rate based on comparison to industry information. The weighted average growth rates used were consistent with the long-term inflation rates of the respective markets, while the discount rates reflected the specific risks related to each CGU. Any reasonably possible change in any of the key assumptions above would not cause the CGUs' carrying amount to exceed its recoverable amount.

The fair value less cost to sell are within Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

18. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	The Group			The Company	
	31 March 2017	31 March 2016 Restated*	1 April 2015 Restated*	31 March 2017	31 March 2016
	$'000	$'000	$'000	$'000	$'000
Deferred income tax assets:					
– to be recovered after one year	**20,662**	17,350	15,134	**-**	–
Deferred income tax liabilities:					
– to be settled after one year	**2,888**	2,920	3,282	**2,849**	2,920

* See Note 2.2 for details about changes in accounting policies.

The movement in the deferred income tax account (after offsetting of asset and liabilities where appropriate) is as follows:

	The Group		The Company	
	2017	2016 Restated*	2017	2016
	$'000	$'000	$'000	$'000
Beginning of financial year	**(14,430)**	(11,852)	**2,920**	3,283
Credited to profit or loss (Note 9(a))	**(6,071)**	(3,376)	**(71)**	(363)
Written-off to profit or loss (Note 9(a))	**1,052**	–	**-**	–
Under provision in prior years (Note 9(a))	**442**	28	**-**	–
Currency translation differences	**597**	770	**-**	–
Group relief	**636**	–	**-**	–
End of financial year	**(17,774)**	(14,430)	**2,849**	2,920

* See Note 2.2 for details about changes in accounting policies.

Included in the Group's deferred income tax asset balance above is an amount of $16,115,000 (31 March 2016: $17,052,000) relating to the deferred tax assets recognised on the temporary differences arising from the transitional adjustments on adoption of FRS 115 (Note 2.2).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

18. DEFERRED INCOME TAXES (CONTINUED)

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

The Group

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Trademarks $'000	Total $'000
2017			
Beginning of financial year	**4,598**	**3,411**	**8,009**
Credited to profit or loss	**(3,642)**	**-**	**(3,642)**
Currency translation differences	**(31)**	**-**	**(31)**
End of financial year	**925**	**3,411**	**4,336**
2016			
Beginning of financial year	1,116	3,283	4,399
Charged to profit or loss	3,806	128	3,934
Currency translation differences	(324)	–	(324)
End of financial year	4,598	3,411	8,009

Deferred income tax assets

	Allowances $'000	Tax losses $'000	Total $'000
2017			
Beginning of financial year	**(18,179)**	**(4,260)**	**(22,439)**
Charged/(credited) to profit or loss	**1,485**	**(3,914)**	**(2,429)**
Written-off to profit or loss	**-**	**1,052**	**1,052**
Under provision in prior years	**442**	**-**	**442**
Group relief	**34**	**602**	**636**
Currency translation differences	**783**	**(155)**	**628**
End of financial year	**(15,435)**	**(6,675)**	**(22,110)**
2016 (Restated*)			
Beginning of financial year	(14,305)	(1,946)	(16,251)
Credited to profit or loss	(4,922)	(2,388)	(7,310)
Under provision in prior years	28	–	28
Currency translation differences	1,020	74	1,094
End of financial year	(18,179)	(4,260)	(22,439)

* See Note 2.2 for details about changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

18. DEFERRED INCOME TAXES (CONTINUED)

The Company

Deferred income tax liabilities

	Trademarks	
	2017 $'000	2016 $'000
Beginning of financial year	**3,411**	3,283
Charged to profit or loss	**-**	128
End of financial year	**3,411**	3,411

Deferred income tax assets

	Allowances	
	2017 $'000	2016 $'000
Beginning of financial year	**(491)**	–
Credited to profit or loss	**(71)**	(491)
End of financial year	**(562)**	(491)

Deferred income tax liabilities of $1,956,000 (31 March 2016: $1,666,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of the Group's overseas subsidiaries when remitted to the holding company. These unremitted profits are permanently reinvested and amount to $39,122,000 (31 March 2016: $33,322,000) at the balance sheet date.

19. TRADE AND OTHER PAYABLES

(a) Current

	The Group		The Company	
	31 March 2017 $'000	31 March 2016 $'000	31 March 2017 $'000	31 March 2016 $'000
Trade payables (non-related parties)	**93,277**	90,442	**-**	–
Deposits from customers	**10,158**	7,174	**-**	–
Accrual for operating expenses	**32,786**	30,672	**2,402**	4,951
Other creditors	**12,115**	11,005	**509**	440
	148,336	139,293	**2,911**	5,391

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

19. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Non-current

	The Group		The Company	
	31 March 2017 $'000	31 March 2016 $'000	31 March 2017 $'000	31 March 2016 $'000
Other payables	**153**	156	**-**	-
Employee defined benefit obligation (Note 19(c))	**329**	313	**-**	-
	482	469	**-**	-

(c) Employee defined benefit obligation

A subsidiary of the Group in Indonesia is required to provide pension benefits, with minimum benefits as stipulated under the labour laws of the country in which it operates. These defined benefit plans are unfunded.

	The Group	
	2017 $'000	2016 $'000
Beginning of financial year	**313**	185
Total charged to employee compensation expense (Note 7)	**6**	130
Currency translation differences	**10**	(2)
End of financial year	**329**	313

	The Group	
	31 March 2017 $'000	31 March 2016 $'000
Present value of unfunded obligations	**329**	313

The significant actuarial assumptions used were as follows:

	The Group	
	31 March 2017 %	31 March 2016 %
Discount rates (per annum)	**8.3**	8.4
Future salary increases (per annum)	**5.0**	6.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

20. BORROWINGS

	The Group		The Company	
	31 March 2017 $'000	31 March 2016 $'000	31 March 2017 $'000	31 March 2016 $'000
Current				
Finance lease liabilities (Note 21)	**71**	595	**-**	-
Unsecured quoted fixed rate note (Note 20(a)(ii))	**-**	124,964	**-**	124,964
Term loan (Note 20(a)(iv))	**476**	480	**476**	480
Term loan (Note 20(a)(v))	**-**	4,997	**-**	-
	547	131,036	**476**	125,444
Non-current				
Finance lease liabilities (Note 21)	**-**	71	**-**	-
Borrowings on asset securitisation (Note 20(a)(i))	**58,241**	-	**-**	-
Unsecured quoted fixed rate note (Note 20(a)(ii))	**74,565**	74,468	**74,565**	74,468
Syndicated senior loan (Note 20(a)(iii))	**140,633**	148,364	**-**	-
Term loan (Note 20(a)(iv))	**1,860**	2,256	**1,860**	2,256
Term loan (Note 20(a)(v))	**28,169**	14,992	**-**	-
	303,468	240,151	**76,425**	76,724

(a) Banking facilities

(i) On 30 April 2004, a Singapore subsidiary of the Company (the "Borrower") entered into an agreement ("Asset Securitisation Programme 2004") to sell all of its trade receivables as and when generated to Assetrust Pte Ltd (the "Buyer"), a special purpose company formed to purchase the receivables from the subsidiary.

The Programme allows the Borrower to sell all of its trade receivables as and when generated to the Buyer. The financing arrangement of the Programme involved repackaging these receivables into beneficial interest instruments with priority of repayments: Senior, Mezzanine and Junior certificates.

The Buyer subsequently entered into an amended Asset Securitisation Programme involving the borrower and two institutional lenders, Hong Kong and Shanghai Banking and Corporation Limited ("HSBC") and Royal Bank of Scotland N.V., Singapore Branch ("RBS") on 4 March 2010 which took effect from 22 March 2010. Subsequently on 22 August 2011, RBS sold, assigned and transferred all its rights in the senior certificates to HSBC and consequently, HSBC had 100% beneficiary of the senior certificates.

On 8 October 2013, HSBC assigned and transferred 20% of its rights in the senior certificates to OCBC. Consequently, HSBC has 80% of the beneficiary of the senior certificates.

On 11 January 2016, the Buyer entered into an amended Asset Securitisation Programme involving OCBC and a new institutional lender, DBS Bank Ltd ("DBS"). Consequently, HSBC, DBS and OCBC have 63%, 27% and 10% of the beneficiary of the senior certificates respectively.

On 21 January 2016, the Asset Securitisation Programme 2012 was further renewed as the Asset Securitisation Programme 2016 with limit up to $150,000,000 and will expire on 20 January 2022. The priority of repayment of the beneficial interest instruments as Senior, Mezzanine and Junior certificates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

20. BORROWINGS (CONTINUED)

(a) Banking facilities (Continued)

(ii) On 23 April 2013, the Company established a $500 million Multicurrency Medium Term Note programme pursuant to which the Company may from time to time issue notes in Singapore dollars or other currencies, in various amounts and tenures, which may bear fixed, floating or variable rates of interest to finance the general corporate funding requirements of the Group.

On 2 May 2013, the Company issued notes comprising $125 million 3-year unsecured fixed rate notes which was fully repaid on 3 May 2016. Interest at 4.75% per annum was payable semi-annually in arrears. The fixed notes were listed on SGX-ST.

On 15 March 2016, the Company issued additional notes comprising $75 million 3-year unsecured fixed rate notes due in 2019. Interest at 5.75% per annum is payable semi-annually in arrears. The fixed notes are listed on SGX-ST.

(iii) On 23 February 2012, a Malaysia subsidiary entered into a syndicated facility agreement to obtain a syndicated senior loan ("SSL") of up to RM350 million (S$121 million) in the form of revolving credit for the first 3 years and for conversion to a fully-amortising term loan facility at the end of year 3. This loan was obtained via the securitisation of trade receivables of the Malaysia subsidiary.

On 25 July 2013, the subsidiary entered into a supplemental agreement to the syndicated facility agreement to increase the principal amount of the facility to RM500 million (S$172 million).

On 16 February 2015, the subsidiary renewed the syndicated facility. The facility will mature on 26 February 2021 (includes 3 years revolving period and 3 years amortisation period). In addition, the subsidiary has the option to extend the revolving period for another year, for the facility to mature on 26 February 2022.

The syndicated senior loan is secured by the following:

- a fixed charge over the designated bank accounts of the Malaysia subsidiary and all credit balances in respect thereof (Note 11);
- a debenture covering a floating charge over the inventories (Note 14) and fixed charge over the property, plant and equipment (Note 16(b)) of the Malaysia subsidiary, both present and future; and
- an assignment over existing and future trade receivables of the Malaysia subsidiary.

On 30 June 2015, the subsidiary entered into a supplemental agreement to the syndicated facility agreement to increase the principal amount of the facility to RM535 million (S$169 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

20. BORROWINGS (CONTINUED)

(a) Banking facilities (Continued)

(iv) In January 2015, the Company obtained a 7-year term loan of US$2.38 million (S$3.2 million) to finance the life insurance policies for selected senior executives of the Company. The principal repayment is in equal instalments over 84 months and the interest rate is at a certain margin above one month London Interbank Offered Rate. The facility is secured by way of first legal assignment of policies in favour of a financial institution (Note 13(c)).

(v) In January 2015, the Indonesia subsidiary obtained a credit facility with a total limit of S$20.0 million for drawdown over 4 tranches. In January 2017, the facility was extended and is now available up to year 2020. Such facility is for working capital and bears interest on the percentage per annum equal to the aggregate of the margin and the applicable swap offer rate on each loan for each term. As at 31 March 2017, the balance of the loan was S$20.0 million (31 March 2016: S$20.0 million).

To reduce the risk from fluctuation of interest and foreign exchange rate, the Indonesia subsidiary has entered into a cross currency interest rate swap with a notional amount of S$20.0 million (31 March 2016: S$20.0 million) to convert the floating interest and foreign exchange rate into fixed rate Indonesian rupiah borrowings for the remaining balance (Note 12).

In May 2015, the Indonesia subsidiary secured a term loan facility to support certain capital expenditures. In May 2016, the Indonesia subsidiary drew down IDR78.0 billion (S$8.0 million) which will be repayable in May 2019.

(b) The borrowings have the following maturity period:

	The Group		The Company	
	31 March 2017 $'000	31 March 2016 $'000	31 March 2017 $'000	31 March 2016 $'000
Within one year	**546**	131,036	**476**	125,444
Later than one year but not later than five years	**303,469**	240,151	**76,425**	76,724
	304,015	371,187	**76,901**	202,168

(c) The fair values of non-current secured and unsecured bank borrowings with floating interest rates approximate the carrying amounts. The fair values of non-current secured and unsecured bank borrowings with fixed interest rates amount to S$76,496,000 (2016: S$201,166,000) and are computed based on cash flows discounted at market borrowing rates at the balance sheet date at 5.33% (31 March 2016: 5.35%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

21. FINANCE LEASE LIABILITIES

The Group leases certain furniture, fixtures, fittings and equipment from non-related parties under finance leases.

	The Group	
	31 March 2017 $'000	**31 March 2016 $'000**
Minimum lease payments due		
– Not later than one year	**71**	605
– Between one and five years	**-**	72
	71	677
Less: Future finance charges	**-**	(11)
Present value of finance lease liabilities	**71**	666

The present values of finance lease liabilities are analysed as follows:

	The Group	
	31 March 2017 $'000	**31 March 2016 $'000**
Not later than one year	**71**	595
Between one and five years	**-**	71
	71	666

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

22. SHARE CAPITAL AND TREASURY SHARES

	2017				2016			
	No. of ordinary shares		Amount		No. of ordinary shares		Amount	
The Group and the Company	Issued share capital '000	Treasury shares '000	Share capital $'000	Treasury shares $'000	Issued share capital '000	Treasury shares '000	Share capital $'000	Treasury shares $'000
Beginning of financial year	**560,000**	**(37,307)**	**265,332**	**(16,161)**	560,000	(21,644)	265,332	(10,348)
Treasury shares purchased (Note 22(a))	**-**	**(9,404)**	**-**	**(3,693)**	–	(16,329)	–	(6,110)
Treasury shares issued (Note 22(b))	**-**	**434**	**-**	**185**	–	666	–	297
End of financial year	**560,000**	**(46,277)**	**265,332**	**(19,669)**	560,000	(37,307)	265,332	(16,161)

All issued shares are fully paid. There is no par value for these ordinary shares.

(a) The Company acquired 9,403,900 (2016: 16,329,200) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was $3,693,000 (2016: $6,110,000) and this was presented as a component within shareholders' equity.

(b) During the financial year, the Company issued, pursuant to the DSA, 330,800 (2016: 551,100) treasury shares (with a cost of $141,000 (2016: $245,000)) at fair value of $119,000 (2016: $212,000).

In addition, the Company has issued 103,642 (2016: 114,906) treasury shares with a cost of $44,000 (2016: $52,000) at fair value of $43,000 (2016: $42,000) to the directors of the Company in lieu of directors' fees in cash.

Both of the above resulted in a loss of $23,000 (2016: $43,000) being recognised in the capital reserve (Note 23(b)(ii)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. OTHER RESERVES

		The Group		The Company	
		31 March 2017	**31 March 2016 Restated***	**31 March 2017**	**31 March 2016**
		$'000	**$'000**	**$'000**	**$'000**
(a)	Composition:				
	Currency translation reserve	**(51,159)**	(38,984)	**-**	-
	Capital reserve	**5,896**	5,919	**(24,572)**	(24,549)
	Share option reserve	**1,539**	1,013	**1,539**	1,013
	Hedging reserve	**(626)**	(966)	**-**	-
		(44,350)	(33,018)	**(23,033)**	(23,536)
(b)	Movements:				
(i)	*Currency translation reserve*				
	Beginning of financial year	**(38,984)**	(28,997)	**-**	-
	Currency translation loss	**(12,175)**	(9,987)	**-**	-
	End of financial year	**(51,159)**	(38,984)	**-**	-
(ii)	*Capital reserve*				
	Beginning of financial year	**5,919**	5,962	**(24,549)**	(24,506)
	Loss on issue of treasury shares (Note 22(b))	**(23)**	(43)	**(23)**	(43)
	End of financial year	**5,896**	5,919	**(24,572)**	(24,549)
(iii)	*Share option reserve*				
	Beginning of financial year	**1,013**	881	**1,013**	881
	Share-based compensation expense (Note 7)	**688**	386	**688**	386
	Treasury shares issued (Note 22(b))	**(162)**	(254)	**(162)**	(254)
	End of financial year	**1,539**	1,013	**1,539**	1,013
(iv)	*Hedging reserve*				
	Beginning of financial year	**(966)**	(936)	**-**	-
	Fair value gain/(loss)	**340**	(30)	**-**	-
	End of financial year	**(626)**	(966)	**-**	-

* See Note 2.2 for details about changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. OTHER RESERVES (CONTINUED)

Capital reserve

The capital reserve of the Group and the Company arose from the restructuring of the Group in the financial year ended 31 March 2010, with subsequent movements arising from the loss on issue of treasury shares.

Share option reserve

COURTS Pre-IPO Share Appreciation Rights Plan ("the SAR Plan")

The Company granted SAR to certain Group employees before its initial public offering ("IPO") in October 2012. The SAR Plan contemplates the award of fully-paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods, at the option of the Company.

Persons eligible to participate in the SAR Plan are selected Group employees of such rank and service period as the Remuneration Committee may determine, and other participants selected by the Remuneration Committee.

The SAR shall be convertible into fully-paid ordinary shares of the Company commencing one year post-IPO at a rate of 25% per annum.

The vesting of the SAR is conditional on the employees completing the required number of service years to the Group. Once they have vested, the SAR are exercisable over a period of 10 years. The Group has no legal or constructive obligation to repurchase or settle the SAR in cash.

The fair value of the SAR is determined at grant date using trinomial simulation model. The number of SAR granted, the fair value per SAR and the assumptions for the inputs used are as follows:

Grant date	Vesting date	Number of SAR under the SAR Plan	Fair value per SAR ($)	Expected volatility* (%)	Expected dividend yield* (%)	Risk-free interest rate (%)	Share price at grant date
3.01.2012	15.10.2013 – 15.10.2016	6,524,560	0.371	23.28	3.00	1.35	0.77

* Expected volatility is based on average 36-months historical volatility of comparable listed companies. Expected dividend yield is based on an assumed pay-out rate.

For non-market conditions, achievement factors have been estimated based on management inputs for the purpose of accruals for the share appreciation rights until the achievement of the performance conditions can be accurately ascertained.

The Group recognised reversal of share-based compensation amounting to $138,000 in the previous financial year in respect of share appreciation rights based on the fair values determined on grant date and estimation of the share grants that will ultimately vest. Nil SAR (31 March 2016: 463,600) was forfeited during the financial year, and the total outstanding SAR as at balance sheet date is 4,047,960 (31 March 2016: 4,047,960).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. OTHER RESERVES (CONTINUED)

Share option reserve (Continued)

COURTS Pre-IPO Share Appreciation Rights Plan ("the SAR Plan") (Continued)

Movement in the number of ordinary shares under SAR are as follows:

	No. of SAR under the SAR Plan		
	Beginning of financial year	Forfeited during the financial year	End of the financial year
Group and Company			
2017			
SAR	**4,047,960**	**-**	**4,047,960**
2016			
SAR	4,511,560	(463,600)	4,047,960

COURTS Strategic Deferred Share Award ("DSA")

The Company granted DSA to certain Group employees, which became operative during the financial year ended 31 March 2014. Persons eligible to participate in the DSA are selected Group employees of such rank and service period as the Remuneration Committee may determine, and other participants selected by the Remuneration Committee.

The DSA represents the right to receive fully-paid ordinary shares of the Company at zero exercise price. The Company has two separate DSA Plans, namely (i) the FY13/14 DSA which was approved by the Board and Remuneration Committee on 28 May 2013 and (ii) the FY15/16 DSA which was approved by the Board and Remuneration Committee on 31 August 2016. Both DSA Plans are administered by the Remuneration Committee. 50% of the DSA was converted into fully-paid ordinary shares of the Company at grant date on 19 November 2013 with the remaining DSA convertible into fully-paid ordinary shares of the Company at a rate of 25% per annum from the grant date.

The vesting of the DSA is conditional on the employees remaining in service at the expiry of the prescribed vesting periods. Once they have vested, each DSA is converted into a fully-paid ordinary share of the Company at zero exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. OTHER RESERVES (CONTINUED)

Share option reserve (Continued)

COURTS Strategic Deferred Share Award ("DSA") (Continued)

The fair value of the DSA is determined at grant date using monte carlo simulation model. The number of DSA granted, the fair value per DSA and the assumptions for the inputs used are as follow:

Grant date	Vesting date	Number of DSA	Fair value per DSA ($)	Expected volatility* (%)	Expected dividend yield* (%)	Risk-free interest rate (%)	Share price at grant date
1.09.2016	1.09.2017	218,300	0.381	22.47	5.10	0.73	0.40
	1.09.2018	218,300	0.362	22.47	5.10	0.85	0.40
	1.09.2019	218,400	0.344	22.47	5.10	1.03	0.40
	1.09.2019	100,300	0.344	22.47	5.10	1.03	0.40
19.11.2013	19.11.2013	1,259,900	0.660	26.24	2.77	–	0.66
	19.11.2014	386,650	0.641	26.24	2.77	0.28	0.66
	19.11.2014	386,450	0.622	26.24	2.77	0.32	0.66
	19.11.2016	232,000	0.622	26.24	2.77	0.32	0.66

* Expected volatility is based on average 36-months historical volatility of comparable listed companies. Expected dividend yield is based on an assumed pay-out rate.

During the financial year, the Company granted 901,400 (31 March 2016: 243,400) DSA to certain Group employees at fair value of $0.360 (31 March 2016: $0.385) per DSA, which vested immediately.

The DSA is a time-based share award without performance conditions. During the financial year, the Group recognised share-based compensation expense amounting to $92,846 (2016: $75,235) in respect of DSA based on the fair values determined on grant date and estimation of the share grants that will ultimately vest. 330,800 (31 March 2016: 551,100) DSA were vested and awarded through issuance of treasury shares and nil DSA (31 March 2016: nil DSA) were forfeited during the year. The total outstanding DSA as at balance sheet date is 755,300 (31 March 2016: 184,700).

Movement in the number of ordinary shares under DSA are as follows:

	No. of DSA			
	Beginning of financial year	Granted during the financial year	Awarded during the financial year	End of the financial year
Group and Company				
2017				
DSA	**184,700**	**901,400**	**(330,800)**	**755,300**
2016				
DSA	492,400	243,400	(551,100)	184,700

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. OTHER RESERVES (CONTINUED)

Share option reserve (Continued)

Performance Share Award ("PSA")

The Company granted the Performance Share Award ("PSA") to the key management personnel and Key Executive Directors pursuant to the Long Term Incentive Plans.

Persons eligible to participate in the PSA Plan are selected Group employees of such rank and service period as the Remuneration Committee may determine, and other participants selected by the Remuneration Committee.

Awards granted under the FY15/16 PSA and FY16/17 PSA are conditional that the employees remain in service at the relevant vesting dates as follows:

Plan	Vesting dates
FY15/16 PSA	1 July 2017 and 1 July 2018
FY16/17 PSA	2 July 2018 and 1 July 2019

Final Award will be determined by the following formula:

Final Award = Initial award x Achievement factor for KPI

Upon determination of the Final Award, the first 50% of the Final Award will vest and be released 3 calendar months after the end of the Performance Period (example Vesting date of 1 July 2017), and the second 50% of the Final Award will vest and be released one year after the first vest (example 1 July 2018).

The Group has no legal or constructive obligation to repurchase or settle the awards in cash.

The fair value of the PSA is determined at grant date using monte carlo simulation model. The number of PSA granted, the fair value per PSA and the assumptions for the inputs used are as follow:

Grant date	Vesting date	Number of PSA under the PSA Plan	Expected volatility* (%)	Expected dividend yield* (%)	Risk-free interest rate (%)	Share price at grant date ($)
01.11.2016	02.07.2018	4,059,300	19.60	4.75	0.87	0.435
	01.07.2019				1.00	
23.06.2015	01.07.2017	3,911,000	30.43	4.50	1.04	0.39
	01.07.2018				1.30	

* Expected volatility is based on average 36-months historical volatility of comparable listed companies. Expected dividend yield is based on an assumed pay-out rate.

During the financial year, the Group recognised share-based compensation expense amounting to $623,292 (2016: $269,033) in respect of PSA based on the fair values determined on grant date and estimation of the share grants that will ultimately vest. No share has vested as at 31 March 2017 (31 March 2016: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. OTHER RESERVES (CONTINUED)

Share option reserve (Continued)

Performance Share Award ("PSA") (Continued)

Movement in the number of ordinary shares under PSA are as follows:

	No. of PSA			
	Beginning of financial year	Granted during the financial year	Forfeited during the financial year	End of the financial year
Group and Company				
2017				
PSA	**3,911,000**	**4,059,300**	**(209,500)**	**7,760,800**
2016				
PSA	–	3,911,000	–	3,911,000

Hedging reserve

Hedging reserve represents the changes in fair values of the derivative financial instruments – callable interest rate swaps that are designated and qualified as cash flow hedge.

24. DIVIDENDS

	The Group	
	2017 $'000	2016 $'000
Ordinary dividends paid:		
Final exempt dividends of 1.29 cents (2016: 1.29 cents) per share paid in respect of prior financial year	**6,671**	6,932

At the Annual General Meeting on 10 August 2017, a final dividend of 1.29 cents per share amounting to a total of $6,627,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

25. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group	
	31 March 2017 $'000	**31 March 2016 $'000**
Expenditure for property, plant and equipment		
– Approved and contracted for	–	1,045

(b) Operating lease commitments – where the Group is a lessee

At the balance sheet date, the Group had commitments under non-cancellable operating leases from non-related parties contracted for its stores and staff residential premises. The leases have varying terms, escalation clauses and renewal rights. The Group's lease expenditure charged to profit or loss during the financial year.

The future minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	The Group	
	31 March 2017 $'000	**31 March 2016 $'000**
Payable within 1 year	**46,350**	44,767
Payable between 1 and 5 years	**78,604**	68,891
Payable after 5 years	**85,035**	47,907
	209,989	161,565

(c) Operating lease commitments – where the Group is a lessor

The Group leases out retail space to non-related parties under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	The Group	
	31 March 2017 $'000	**31 March 2016 $'000**
Receivable within 1 year	**875**	756
Receivable between 1 and 5 years	**1,739**	847
Receivable after 5 years	**1,425**	203
	4,039	1,806

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

Risk management is carried out by the executive directors and senior management under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investing excess liquidity.

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Malaysia and Indonesia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the United States Dollar ("USD").

The Group has no significant trading exposure to foreign currency risk other than inter-company balances between its subsidiaries, cash and cash equivalents and term loans. The Company has no foreign currency translation risk. Trade receivables of the Group are denominated in the respective functional currencies of the Group's subsidiaries and purchases are predominantly transacted in the functional currency of the respective subsidiaries.

As at 31 March 2017, the Group's currency exposure to USD arose from its cash and cash equivalents, cash value receivable from life insurance (Note 13(c)) and term loan (Note 20(a)(iv)) amounting to $776,000 (31 March 2016: $1,972,000), $3,965,000 (31 March 2016: $3,594,000) and $2,336,000 (31 March 2016: $2,736,000) respectively. If the USD had strengthened/weakened by 3% (2016: 3%) against SGD with all other variables including tax rate being held constant, the Group's current year profit after tax would have been higher/lower by $62,000 (2016: $65,000).

As at 31 March 2017, the Company's currency exposure to USD arose from its cash and cash equivalents, cash value receivable from life insurance (Note 13(c)) and term loans (Note 20(a)(iv)) amounting to $86,000 (31 March 2016: $342,000), $3,965,000 (31 March 2016: $3,594,000) and $2,336,000 (31 March 2016: $2,736,000) respectively. If the USD had strengthened/weakened by 3% (2016: 3%) against SGD with all other variables including tax rate being held constant, the Company's profit after tax would have been higher/lower by $44,000 (2016: $23,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets except for fixed deposits with financial institutions.

The Group's policy is to maintain a mixture of borrowings in both fixed and floating rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from current and non-current variable-rate borrowings. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in Singapore Dollars ("SGD") and Malaysian Ringgit ("MYR").

If the SGD interest rates had increased/decreased by 0.5% (2016: 0.5%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by $249,000 (2016: $11,000) as a result of higher/lower interest expense on these borrowings.

If the MYR interest rates had increased/decreased by 1% (2016: 1%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by $452,000 (2016: $458,000) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

The Group has no significant concentration of credit risk due to the nature of its business and diversified customer base mainly comprising individuals. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. It manages credit risk on customer receivables through the application of a credit scoring system and vigilant follow-up of debtors.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The Group's major classes of financial assets are bank deposits and trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(b) Credit risk (Continued)

The credit risk for trade receivables based on the information provided to key management is as follows:

	The Group		
	31 March 2017 $'000	31 March 2016 Restated* $'000	1 April 2015 Restated* $'000
By geographical areas			
Singapore	**176,079**	168,702	172,139
Malaysia	**267,819**	274,025	253,509
Indonesia	**9,981**	6,010	3,613
	453,879	448,737	429,261

* See Note 2.2 for details about changes in accounting policies.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially individuals with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

Trade Receivables

All past due trade receivables are assessed for impairment and the carrying amount of trade receivables determined to be impaired and the movement in the related allowance for impairment is as follows:

	The Group		
	31 March 2017 $'000	31 March 2016 Restated* $'000	1 April 2015 Restated* $'000
Past due 1 to 6 months	**57,588**	54,101	55,737
Past due 6 to 12 months	**13,105**	14,990	13,639
	70,693	69,091	69,376
Less: Allowance for impairment	**(26,089)**	(21,760)	(21,568)
	44,604	47,331	47,808

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Financial assets that are past due and/or impaired (Continued)

	31 March 2017 $'000	31 March 2016 Restated* $'000
Beginning of financial year	**21,760**	21,568
Allowance made (Note 6)	**26,332**	18,797
Allowance utilised	**(22,265)**	(17,507)
Currency translation differences	**262**	(1,098)
End of financial year	**26,089**	21,760

* See Note 2.2 for details about changes in accounting policies.

The impaired trade receivables arise mainly from credit sales to individuals who subsequently were unable to pay or were slow in their payments. The above impairment losses relate to receivables arising from contracts with customers.

Non-trade receivables

The carrying amount of non-trade receivables determined to be impaired and the movement in the related allowance for impairment is as follows:

	The Company	
	31 March 2017 $'000	31 March 2016 $'000
Not past due but impaired	**1,215**	–
Less: Allowance for impairment	**(1,215)**	–
	–	–

	The Company	
	31 March 2017 $'000	31 March 2016 $'000
Beginning of financial year	**–**	–
Allowance made	**1,215**	–
End of financial year	**1,215**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(c) Liquidity risk

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	Total $'000
The Group			
At 31 March 2017			
Derivative financial instruments – net settled interest rate swap	**904**	**1,375**	**2,279**
Trade and other payables	**148,336**	**153**	**148,489**
Borrowings	**17,624**	**326,297**	**343,921**
	166,864	**327,825**	**494,689**
At 31 March 2016			
Derivative financial instruments – net settled interest rate swap	801	330	1,131
Trade and other payables	139,293	156	139,449
Borrowings	155,000	298,940	453,940
	295,094	299,426	594,520

	Less than 1 year $'000	Between 1 and 5 years $'000	Total $'000
The Company			
At 31 March 2017			
Trade and other payables	**2,911**	**-**	**2,911**
Borrowings	**4,842**	**81,269**	**86,111**
	7,753	**81,269**	**89,022**
At 31 March 2016			
Trade and other payables	5,391	–	5,391
Borrowings	137,098	94,609	231,707
	142,489	94,609	237,098

The Group manages the liquidity risk by maintaining sufficient cash to enable it to meet its normal operating commitments, and having an adequate amount of committed credit facilities (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes borrowings (Note 20) and equity which comprises share capital and treasury shares (Note 22), retained profits and other reserves (Note 23).

The gearing ratio is calculated as borrowings divided by total capital. Total capital is calculated as equity plus borrowings.

		The Group	
	31 March 2017	31 March 2016 Restated*	1 April 2015 Restated*
	$'000	$'000	$'000
Borrowings	**304,015**	371,187	329,200
Total equity	**218,530**	216,298	232,140
Total capital	**522,545**	587,485	561,340
Gearing ratio	**58%**	63%	59%

* See Note 2.2 for details about changes in accounting policies.

The Group and the Company's bank loan facilities require it to meet certain ratios and monitor compliance with these ratios on a monthly basis. The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2017 and 2016.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(e) Fair value measurements (Continued)

The Group's financial assets held at fair value comprise of derivative financial instruments (Note 12). The fair value of the derivative financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The fair values of interest rate swaps and interest rate caps are determined using quoted market values provided by the Group's bankers. These instruments are included in Level 2 of the fair value hierarchy.

(f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as disclosed on the face of the balance sheets and in Note 12, except for the following:

	The Group			The Company	
	31 March 2017	31 March 2016 Restated*	1 April 2015 Restated*	31 March 2017	31 March 2016
	$'000	$'000	$'000	$'000	$'000
Loans and receivables	**581,505**	623,304	577,101	**40,918**	175,958
Financial liabilities at amortised cost	**452,504**	510,636	451,573	**79,812**	207,559

* See Note 2.2 for details about changes in accounting policies.

27. IMMEDIATE AND ULTIMATE HOLDING CORPORATIONS

The Company's immediate holding corporation is Singapore Retail Group Limited, incorporated in Mauritius and its ultimate holding corporation is Asia Retail Group Limited, incorporated in the Isle of Man.

28. RELATED PARTY TRANSACTIONS

(a) There were no transactions that took place between the Group and related parties during current and previous financial years.

The related parties of the Group are its immediate and ultimate holding corporations.

Outstanding balances with related parties are disclosed in Notes 13 and 19.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2017	**2016**
	$'000	**$'000**
Salaries and other short-term employee benefits	**7,457**	5,105
Employer's contributions to defined contribution plans	**308**	62
Share-based compensation	**162**	233
	7,927	5,400

Total compensation to the directors of the Company amounting to $2,944,000 (2016: $2,546,000) is included in the key management personnel compensation above.

29. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("EXCO") which are used to make strategic decisions. The EXCO comprises the Group Chief Executive Officer, the Group Chief Financial Officer, the Group Chief Operating Officer, the Group Credit Officer, the Group Chief Talent Officer, the Group Chief Innovation Officer and the regional heads of each business.

The EXCO considers the business from a geographic and business segment perspective. Management manages and monitors the business in the three primary geographic areas, Singapore, Malaysia and Indonesia. Operations in Singapore, Malaysia and Indonesia are essentially similar and consist principally of the retailing of household furniture, furnishings, home appliances and information technology products.

Sales revenue is based on the country in which the customers are located.

Segment results are profit before other income, income tax and finance expense.

Segment assets consist primarily of property, plant and equipment, inventories, receivables and cash, and exclude deferred income tax assets, short-term bank deposits and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude items such as income tax liabilities and bank borrowings.

The Group's activities consist entirely of retailing. There is only one business segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

29. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the EXCO for the reportable segments are as follows:

	Singapore $'000	Malaysia $'000	Indonesia $'000	Consolidated $'000
2017				
Sales				
Revenue from external parties	**491,030**	**224,283**	**25,226**	**740,539**
Segment results	**35,403**	**22,472**	**(10,998)**	**46,877**
Other income and other gains/(losses) – net				**5,628**
Finance expense				**(20,826)**
Profit before income tax				**31,679**
Income tax expense				**(7,936)**
Net profit				**23,743**
Other segment items				
Depreciation and amortisation	**6,233**	**4,831**	**1,681**	**12,745**
Amortisation of deferred income	**(1,279)**	**(867)**	**(427)**	**(2,573)**

	Singapore $'000	Malaysia $'000	Indonesia $'000	Consolidated $'000
2017				
Segment assets	**340,004**	**335,649**	**28,684**	**704,337**
Unallocated assets				
– Deferred income tax assets				**20,662**
– Fixed deposits				**24,048**
Total consolidated assets				**749,047**
Segment assets includes:				
Additions to:				
– property, plant and equipment	**3,387**	**4,069**	**1,072**	**8,528**
– intangible assets	**937**	**219**	**200**	**1,356**
Segment liabilities	**145,644**	**62,792**	**9,831**	**218,267**
Unallocated liabilities				
– Current income tax liabilities				**5,347**
– Deferred income tax liabilities				**2,888**
– Borrowings				**304,015**
Total consolidated liabilities				**530,517**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

29. SEGMENT INFORMATION (CONTINUED)

	Singapore $'000	Malaysia $'000	Indonesia $'000	Consolidated $'000
2016 (Restated*)				
Sales				
Revenue from external parties	504,604	231,439	15,846	751,889
Segment results	18,207	23,323	(8,392)	33,138
Other income and other gains/(losses) – net				4,412
Finance expense				(25,662)
Profit before income tax				11,888
Income tax expense				(5,057)
Net profit				6,831
Other segment items				
Depreciation and amortisation	6,582	5,682	1,198	13,462
Amortisation of deferred income	(1,044)	(1,294)	(260)	(2,598)

	Singapore $'000	Malaysia $'000	Indonesia $'000	Consolidated $'000
2016 (Restated*)				
Segment assets	325,520	352,395	27,796	705,711
Unallocated assets				
– Deferred income tax assets				17,350
– Fixed deposits				74,797
– Current income tax recoverable				2,400
Total consolidated assets				800,258
Segment assets includes:				
Additions to:				
– property, plant and equipment	4,872	3,053	3,340	11,265
– intangible assets	913	81	152	1,146
Segment liabilities	135,134	64,504	8,079	207,717
Unallocated liabilities				
– Current income tax liabilities				2,136
– Deferred income tax liabilities				2,920
– Borrowings				371,187
Total consolidated liabilities				583,960

* See Note 2.2 for details about changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

As at the date of this report, the following are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 and which the Group has not early adopted:

New or revised accounting standards and interpretations	**Effective for annual periods beginning on or after**
Amendments to:	
– FRS 7 *Statement of Cash Flows (Disclosure Initiative)*	1 January 2017
Amendments to:	
– FRS 12 *Income Taxes (Recognition of Deferred Tax Assets for Unrealised Losses)*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018
FRS 116 *Leases*	1 January 2019
Amendments to:	
– *FRS 12 Share-Based Payment (Classification and Measurement of Share-based Payment Transactions)*	1 January 2018

The adoption of the above new or revised accounting standards and interpretations is not expected to have a significant impact on the Group's financial statements in the period of initial application, except for the following:

- FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, the Group's financial assets which mainly comprise of trade receivables classified as loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

  Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018) (Continued)

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. While the Group is yet to undertake a detailed assessment, it would appear that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of FRS 109. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

  There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, deferred costs under FRS 115, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

  The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

- FRS 116 *Leases* (effective for annual periods beginning on or after 1 January 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $209,989,000 (Note 25(b)). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

31. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

Name of companies	Principal activities	Country of incorporation and place of business	As at 31 March Equity Holding 2017 %	2016 %
Held directly by the Company				
[1]COURTS (Singapore) Pte Ltd	Retail of household furniture, furnishings, home appliances and information technology products	Singapore	**100**	100
[2]COURTS (Malaysia) Sdn Bhd	Retail of household furniture, furnishings, home appliances and information technology products	Malaysia	**100**	100
[2]PT COURTS Retail Indonesia	Retail of household furniture, furnishings, home appliances and information technology products	Indonesia	**100**	100
[1]Home Lifestyle Pte Ltd	Retail of household products, lifestyle products and general merchandise	Singapore	**100**	100
[1]Hardware Lifestyle Pte Ltd	Retail of household products, lifestyle products and general merchandise	Singapore	**100**	100
[4]Hillbrow (Mauritius) Limited	Dormant	Mauritius	**-**	100
Held indirectly by the Company				
[1]Assetrust Pte Ltd	Special purpose company for asset securitisation programme	Singapore	**100**	100
[2]Vista Lavender Sdn Bhd	Dormant	Malaysia	**100**	100
[2]Novacheers Sdn Bhd	Dormant	Malaysia	**100**	100
[2], [3]COURTS Solutions Sdn Bhd	Providing credit evaluation and processing services	Malaysia	**100**	–

[1] Audited by PricewaterhouseCoopers LLP, Singapore

[2] Audited by PricewaterhouseCoopers member firms outside Singapore

[3] Newly incorporated during the financial year

[4] Liquidated during the financial year

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

31. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

The structured entities consolidated by the Group are listed below:

Name of entity	Purpose of consolidated structured entity	Country of incorporation
Assetrust Pte Ltd	Special purpose company for asset securitisation programme	Singapore

Assetrust Pte Ltd is a special purpose company set up in connection with an asset securitisation programme originated by COURTS (Singapore) Pte Ltd of which the receivables from customers of COURTS (Singapore) Pte Ltd are used to secure financing of up to approximately $150,000,000 (2016: $150,000,000) (Note 20(a)(i)). Assetrust Pte Ltd acts as a conduit for the financing arrangement between COURTS (Singapore) Pte Ltd and private institutional lenders.

32. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of COURTS Asia Limited on 17 July 2017.

ANALYSIS OF SHAREHOLDINGS

AS AT 10 JULY 2017

Class of shares	:	Ordinary shares
Number of issued and paid-up shares (excluding treasury shares)	:	513,722,888
Voting rights	:	One vote per share
Number of Treasury shares	:	46,277,112
% of treasury shares to total number of issued shares (excluding treasury shares)	:	9.01%

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 10 JULY 2017

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	6	0.31	87	0.00
100 – 1,000	208	10.78	193,355	0.04
1,001 – 10,000	919	47.64	6,024,815	1.17
10,001 – 1,000,000	785	40.69	44,127,108	8.59
1,000,001 AND ABOVE	11	0.57	463,377,523	90.20
TOTAL	**1,929**	**100.00**	**513,722,888**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	SINGAPORE RETAIL GROUP LIMITED	382,000,000	74.36
2	DBS NOMINEES PTE LTD	30,774,500	5.99
3	CITIBANK NOMINEES SINGAPORE PTE LTD	21,819,423	4.25
4	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,609,000	1.48
5	RAFFLES NOMINEES (PTE) LTD	5,809,400	1.13
6	HSBC (SINGAPORE) NOMINEES PTE LTD	5,168,500	1.01
7	DB NOMINEES (SINGAPORE) PTE LTD	4,334,000	0.84
8	KEE KIM ENG	1,954,700	0.38
9	CHRISTINA CHEONG FOONG YIM	1,500,000	0.29
10	EFR INVESTMENT PTE LTD	1,308,000	0.25
11	LIM YONG LUY	1,100,000	0.21
12	CIMB SECURITIES (SINGAPORE) PTE LTD	877,633	0.17
13	UOB KAY HIAN PTE LTD	791,066	0.15
14	OCBC NOMINEES SINGAPORE PTE LTD	755,900	0.15
15	OCBC SECURITIES PRIVATE LTD	624,500	0.12
16	DBSN SERVICES PTE LTD	577,000	0.11
17	KIONG KIT MIN LAWRENCE	550,000	0.11
18	LEE SEW-IAM, RICHARD @ LEE SIEW WIAN	514,000	0.10
19	MAYBANK KIM ENG SECURITIES PTE LTD	500,525	0.10
20	CHOONG HUI HUI STACY	500,000	0.10
	TOTAL	**469,068,147**	**91.30**

ANALYSIS OF SHAREHOLDINGS

AS AT 10 JULY 2017

Substantial Shareholders as at 10 July 2017
(As recorded in the Register of Substantial Shareholders)

	DIRECT INTERESTS		DEEMED INTERESTS	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Singapore Retail Group Limited	382,000,000	74.36%	–	–
Asia Retail Group Limited[(1)]	–	–	382,000,000	74.36%
Baring Private Equity Asia III Holding (14) Ltd.[(2)]	–	–	382,000,000	74.36%
Topaz Investment Worldwide Incorporated[(3)]	–	–	382,000,000	74.36%

Notes:

(1) Asia Retail Group Limited ("ARG") is deemed to be interested in the shares of the Company held by Singapore Retail Group Limited by virtue of Section 4 of the Securities and Futures Act, Cap. 289 (the "Act").

(2) Baring Private Equity Asia III Holding (14) Ltd. holds more than 20% of the issued share capital of ARG and as such, Baring Private Equity Asia III Holding (14) Ltd. is deemed to be interested in the shares of the Company held by ARG by virtue of Section 4 of the Act.

(3) Topaz Investment Worldwide Incorporated ("Topaz") holds more than 20% of the issued share capital of ARG and as such, Topaz is deemed to be interested in the shares of the Company held by ARG by virtue of Section 4 of the Act.

Percentage of Shareholding in the Hands of the Public

As at 10 July 2017, 21.51% of the issued share capital of the Company was held in the hands of the public (based on the information available to the Company). Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of COURTS Asia Limited (the "Company") will be held at 50 Tampines North Drive 2, COURTS Megastore, Singapore 528766 (Studio Room, Level 4) on Thursday, 10 August 2017 at 10.00am to transact the following businesses:–

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and the Directors' Statement and Auditors' Report for the financial year ended 31 March 2017. *(Resolution 1)*

2. To approve Directors' fees of up to S$470,000 (2017: S$420,000) for the financial year ending 31 March 2018 comprising:– *(Resolution 2)*

   (a) 80% to be paid in cash, payable at the end of each financial quarter except for Messrs Jack Hennessy* and Adnan Abdulaziz Ahmed AlBahar* who will be paid 100% in cash; and

   (b) 20% to be paid in ordinary shares and delivered at the end of each financial quarter based on Volume-Weighted Average Price ("VWAP") computed over 14 trading days immediately after the corresponding quarterly financial result announcement date as set out in the explanatory note (1).

   * 100% of Director Fee will be paid to the respective employers.

3. To declare a final dividend of 1.29 Singapore cents per ordinary share tax-exempt (1-tier) for the financial year ended 31 March 2017. *(Resolution 3)*

4. To re-elect Mr Chey Chor Wai who is retiring by rotation pursuant to Article 94 of the Company's Constitution. *(Resolution 4)*

   Mr Chey Chor Wai will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee.

5. To re-elect Ms Kee Kim Eng who is retiring by rotation pursuant to Article 94 of the Company's Constitution. *(Resolution 5)*

6. To re-elect Mr Adnan Abdulaziz Ahmed AlBahar who is retiring pursuant to Article 100 of the Company's Constitution. *(Resolution 6)*

7. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company for the financial year ending 31 March 2018 and to authorise the Directors to fix their remuneration. *(Resolution 7)*

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:–

9. Authority to issue shares *(Resolution 8)*

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

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

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

(b) (notwithstanding that 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

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 50% of the Company's total number of issued shares (excluding treasury shares), 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 20% of the total number of issued shares (excluding treasury shares) of the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares) shall be the Company's total number of issued shares (excluding treasury shares) at the time this resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed; and

NOTICE OF
ANNUAL GENERAL MEETING

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

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."

(See Explanatory Note 2)

10. Authority to issue shares under the Share-Based Incentive Plans *(Resolution 9)*

"That, pursuant to Section 161 of the Act, the Directors of the Company be authorised and empowered to issue from time to time such number of shares in the capital of the Company as may be required to be issued under the Share-Based Incentive Plans ("SBIP"), provided always that the aggregate number of shares which may be granted per annum shall not exceed 1.5% of the total number of issued shares (excluding treasury shares); and the total number of shares which may be granted during the duration of the SBIP shall not exceed 10% of the total issued share capital of the Company (excluding treasury shares) on any date, and that such authority shall unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

(See Explanatory Note 3)

11. Proposed renewal of the Share Buyback Mandate *(Resolution 10)*

"That:

(a) for the purposes of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

(i) market purchase(s) ("Market Purchase") on SGX-ST; and/or

(ii) off-market purchase(s) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and the Listing Manual of SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

NOTICE OF ANNUAL GENERAL MEETING

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:–

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the Share Buybacks are carried out to the full extent mandated;

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting;

(c) in this Resolution:

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:–

(i) in the case of a Market Purchase, 105% of the Average Closing Market Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 115% of the Highest Last Dealt Price;

"Maximum Limit" means the number of issued Shares representing 10% of the total number of issued Shares of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares or subsidiary holdings, being shares that are referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act as at that date);

"Average Closing Market Price" means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of making of the offer pursuant to the Off-Market Purchase;

"day of making of the offer" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Market Day" means a day on which SGX-ST is open for trading of securities; and

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(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary or expedient to give effect to the transactions contemplated by this Resolution."

(See Explanatory Note 4)

By Order of the Board

Ang Siew Koon
Company Secretary

Dated: 26 July 2017

Explanatory Notes:

1. Non-Executive Directors who served on the Board during financial year ending 31 March 2018 will be remunerated based on 80% in cash and 20% in the form of outright shares in the Company except for Messrs Jack Hennessy (nominee director of Singapore Retail Group Limited) and Adnan Abdulaziz Ahmed AlBahar (nominee director of The International Investor). The Singapore Retail Group Limited and The International Investor are both shareholders of the Company. The actual number of shares to be awarded will be based on the Volume-Weighted Average Share Price ("VWAP") of a share in the Company on SGX-ST at the end of each financial quarter over the 14 trading days immediately after the Company's respective Quarterly Financial Result Announcement Date, rounded down to the nearest share, and any residual balance settled in cash.

   Each Non-Executive Director is required to hold a number of shares in the Company based on the lower of: (a) the total number of shares in the Company awarded to such Non-Executive Director as payment of the shares' component of the Directors' fees for the financial year ending 31 March 2014 and onwards; or (b) the number of shares of equivalent value to the prevailing annual basic retainer fee for a Director of the Company.*

   * *Based on the VWAP of a share in the Company on SGX-ST over the 14 trading days immediately after COURTS First Quarter Financial Result Announcement Date.*

2. Resolution 8, if passed, will authorise and empower the Directors of the Company from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the capital of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) of the Company of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   For the purpose of Resolution 8, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

3. The details of the Share-Based Incentive Plan are disclosed on pages 54 to 55 of the Company's Annual Report 2017 under the Corporate Governance Statement section.

4. Resolution 10 is to renew the Share Buyback Mandate which was adopted by the shareholders on 2 October 2013, and subsequently renewed at each Annual General Meeting. Please refer to the Appendix to this Notice of Annual General Meeting for details.

NOTICE OF ANNUAL GENERAL MEETING

Book Closure Date and Payment Date for Final Dividend

Subject to the approval of the shareholders on the payment of a tax-exempt (1-tier) final dividend of 1.29 cents per ordinary share in respect of the financial year ended 31 March 2017 (the "Dividend") at the Annual General Meeting to be held on 10 August 2017, the Share Transfer Books and Register of Members of the Company will be closed on 18 August 2017 ("Book Closure Date") for the purpose of determining member entitlements to the proposed Dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road, #02-00, Singapore 068898, up to 5.00pm on 17 August 2017 will be registered to determine Shareholders' entitlement to the Dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the Dividend will be paid by the Company to CDP which will distribute the Dividend to holders of the securities accounts.

The final dividend, if approved by the shareholders at the Annual General Meeting, will be paid on 30 August 2017.

Notes:

1. A member who is not a relevant intermediary may appoint not more than two proxies to attend and vote at the Annual General Meeting.

2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be presented by each proxy, failing which, the first named proxy may be treated as representing 100% of the shareholding and the second name proxy as an alternate to the first named.

3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "relevant intermediary" means:

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

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

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

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

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

6. The instrument appointing a proxy must be deposited at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), either by hand at 80 Robinson Road, #11-02, Singapore 068898, or by post at 80 Robinson Road, #02-00, Singapore 068898 not later than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) or proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

COURTS ASIA LIMITED

(Company Registration No. 201001347K)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

PROXY FORM

*I/We ______________________________ (Name) NRIC/Passport No. ______________________

of ____ (Address)
being * a member/members of COURTS Asia Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

or failing him, Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 50 Tampines North Drive 2, COURTS Megastore, Singapore 528766 (Studio Room, Level 4) on Thursday, 10 August 2017 at 10.00am and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements and the Directors' Statement and Auditors' Report for the financial year ended 31 March 2017.		
2.	To approve Directors' fees of up to S$470,000 (2017: S$420,000) for the financial year ending 31 March 2018 comprising:– (a) 80% to be paid in cash, payable at the end of each financial quarter except for Messrs Jack Hennessy* and Adnan Abdulaziz Ahmed AlBahar* who will be paid 100% in cash; and (b) 20% to be paid in ordinary shares and delivered at the end of each financial quarter based on Volume-Weighted Average Price ("VWAP") computed over 14 trading days immediately after the corresponding quarterly financial result announcement date as set out in the explanatory note (1).		
3.	To declare a final dividend of 1.29 Singapore cents per ordinary share tax-exempt (1-tier) for the financial year ended 31 March 2017.		
4.	To re-elect Mr Chey Chor Wai who is retiring by rotation pursuant to Article 94 of the Company's Constitution.		
5.	To re-elect Ms Kee Kim Eng who is retiring by rotation pursuant to Article 94 of the Company's Constitution.		
6.	To re-elect Mr Adnan Abdulaziz Ahmed AlBahar who is retiring pursuant to Article 100 of the Company's Constitution.		
7.	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company for the financial year ending 31 March 2018 and to authorise the Directors to fix their remuneration.		
8.	To authorise the Directors to issue shares.		
9.	To authorise the Directors to issue shares under the Share-Based Incentive Plans.		
10.	To approve the renewal of the Share Buyback Mandate.		

Dated this ________ day of ________________ 2017

Total Number of Shares Held

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

* *Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:–

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898, not later than 48 hours before the time set for the Annual General Meeting.
7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members 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 is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

AFFIX
STAMP

The Share Registrar of COURTS Asia Limited
TRICOR BARBINDER SHARE REGISTRATION SERVICES
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00
Singapore 068898

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
10. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Annual General Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) or proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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Corporate Information

BOARD OF DIRECTORS
Mr Jack Hennessy
(Chairman)
(Non-Independent and Non-Executive Director)
Dr Terence Donald O'Connor
(Executive Director)
(Group CEO)
Ms Kee Kim Eng
(Executive Director)
(Group CFO)
Mr Adnan Abdulaziz Ahmed AlBahar
(Non-Independent and Non-Executive Director)
Mr Chey Chor Wai
(Independent Non-Executive Director)
Mr Kho Kewee
(Independent Non-Executive Director)

EXECUTIVE COMMITTEE
Dr Terence Donald O'Connor
(Group CEO)

Ms Kee Kim Eng
(Group CFO)

COMPANY SECRETARY
Ms Ang Siew Koon
Tricor Evatthouse Corporate Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

AUDIT COMMITTEE
Mr Chey Chor Wai *(Chairman)*
Mr Jack Hennessy
Mr Kho Kewee

REMUNERATION COMMITTEE
Mr Jack Hennessy *(Chairman)*
Mr Chey Chor Wai
Mr Kho Kewee

NOMINATING COMMITTEE
Mr Kho Kewee *(Chairman)*
Mr Chey Chor Wai
Mr Jack Hennessy

REGISTERED OFFICE
50 Tampines North Drive 2
Singapore 528766
Tel: 6309 7777
Fax: 6784 8076

REGISTRARS AND SHARE TRANSFER OFFICE
Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

AUDITORS
PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants, Singapore
8 Cross Street
#17-00 PWC Building
Singapore 048424
Partner in-charge:
Mr Peter Low (since the financial year ended 31 March 2015)

PRINCIPAL BANKERS
HSBC Singapore
Collyer Quay
21 Collyer Quay
#01-01 HSBC Building
Singapore 049320

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#01-00 OCBC Centre
Singapore 049513

DBS Bank Ltd
12 Marina Boulevard
DBS Asia Central
Marina Bay Financial Centre Tower 3
Singapore 018982

Standard Chartered Bank Malaysia Berhad
Level 13 Menara Standard Chartered
30 Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

INVESTOR RELATIONS CONTACT
E-mail: ir@courts.com.sg

COURTS Asia Limited
Company Registration Number 201001347K

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