



Second Quarter Financial Statement Announcement 2020

Part 1 - INFORMATION REQUIRED FOR SECOND QUARTER ANNOUNCEMENT

No.1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

**Group
6 months ended 30 June**

	2020 S\$'000	2019 S\$'000	Variance %
Revenue			
Sales of goods and services	7,489	10,322	-27%
Membership related fees and management fees	4,554	5,039	-10%
Other income	1,432	438	227%
Total income	13,475	15,799	-15%
Item of expenses			
Salaries and other employee benefits	(5,427)	(5,717)	-5%
Advertising, publication and event expenses	(328)	(893)	-63%
Depreciation of property, plant and equipment	(2,933)	(2,887)	2%
Cost of sales	(1,277)	(2,296)	-44%
Repair, maintenance and cleaning expenses	(697)	(883)	-21%
Utilities	(312)	(320)	-3%
Property tax	(86)	(381)	-77%
Allowance for doubtful debts	(77)	(36)	114%
Loan interest, bank and credit card charges	(129)	(245)	-47%
Other expenses	(943)	(962)	-2%
Total expenses	(12,209)	(14,620)	-16%
Profit before tax	1,266	1,179	7%
Income tax expense	(268)	(370)	-28%
Profit after tax	998	809	23%
Other comprehensive income:			
Foreign currency translation gain / (loss)	13	(1)	nm
Total comprehensive income	1,011	808	25%
Profit / (Loss) attributable to:			
Owners of the company	1,397	1,090	28%
Non-controlling interests	(399)	(281)	42%
	998	809	23%
Other comprehensive income attributable to:			
Owners of the company	8	-	nm
Non-controlling interests	5	(1)	nm
	13	(1)	nm

nm : not meaningful

Notes to Statement of Comprehensive Income

- (i) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:—

	Group		
	6 months ended 30 June		
	2020	2019	Variance
	S\$'000	S\$'000	%
Interest income	223	311	-28%
Depreciation of property, plant and equipment	(2,933)	(2,887)	2%
Loan interest, bank and credit card charges	(129)	(245)	-47%
Foreign exchange loss	(32)	(50)	nm

No.1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position

	Group		Company	
	Unaudited 30-Jun-20 S\$'000	Audited 31-Dec-19 S\$'000	Unaudited 30-Jun-20 S\$'000	Audited 31-Dec-19 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	75,919	78,131	-	-
Investments in subsidiaries	-	-	26,161	26,161
	<u>75,919</u>	<u>78,131</u>	<u>26,161</u>	<u>26,161</u>
Current assets				
Inventories	106	142	-	-
Trade and other receivables	3,003	3,544	302	346
Prepayments	184	426	4	5
Due from related companies	190	102	-	-
Cash and cash equivalents	48,346	48,129	40,097	36,199
	<u>51,829</u>	<u>52,343</u>	<u>40,403</u>	<u>36,550</u>
Total assets	<u>127,748</u>	<u>130,474</u>	<u>66,564</u>	<u>62,711</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	7,047	9,368	178	355
Due to related companies	52	70	5	3
Loan from a subsidiary	-	-	10,500	6,460
Deferred membership income	3,762	3,774	-	-
Income tax payable	1,917	1,682	37	58
	<u>12,778</u>	<u>14,894</u>	<u>10,720</u>	<u>6,876</u>
Net current assets	39,051	37,449	29,683	29,674
Non-current liabilities				
Loan from non-controlling interests	4,068	3,996	-	-
Deferred membership income	50,317	52,070	-	-
Deferred tax liabilities	1,295	1,296	-	-
	<u>55,680</u>	<u>57,362</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>68,458</u>	<u>72,256</u>	<u>10,720</u>	<u>6,876</u>
Net assets	<u>59,290</u>	<u>58,218</u>	<u>55,844</u>	<u>55,835</u>
Equity attributable to owners of the Company				
Share capital	46,780	46,780	40,810	40,810
Retained earnings	12,690	11,293	14,914	14,966
Employee share option reserve	120	59	120	59
Other reserve	162	154	-	-
	<u>59,752</u>	<u>58,286</u>	<u>55,844</u>	<u>55,835</u>
Non-controlling interests	(462)	(68)	-	-
Total equity	<u>59,290</u>	<u>58,218</u>	<u>55,844</u>	<u>55,835</u>
Total equity and liabilities	<u>127,748</u>	<u>130,474</u>	<u>66,564</u>	<u>62,711</u>

No.1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 30.06.2020		As at 31.12.2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(a) Amount repayable in one year or less, or on demand	-	-	-	-
(b) Loan from non-controlling interests of a subsidiary repayable after one year	-	4,068	-	3,996
	<u>-</u>	<u>4,068</u>	<u>-</u>	<u>3,996</u>

No.1(c) A Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	6 months ended 30 June	
<u>Statement of Cash Flows</u>	2020	2019
	S\$'000	S\$'000
Operating activities		
Profit before tax	1,266	1,179
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	2,933	2,887
Deferred membership income recognised	(1,765)	(1,887)
Interest income	223	311
Allowance for doubtful debts	77	36
Share-based payment expense	61	-
Currency realignment	66	(1)
Operating cash flows before changes in working capital	2,861	2,525
Changes in working capital:		
Decrease / (increase) in inventories	36	(22)
Decrease / (increase) in trade and other receivables and prepayments	706	(114)
Increase in due from related companies	(88)	(36)
Decrease / (increase) in due to related companies	(18)	78
Decrease in trade and other payables	(2,321)	(118)
Total changes in working capital	(1,685)	(212)
Cash flows generated from operations	1,176	2,313
Interest received	(152)	(311)
Income tax paid	(34)	(455)
Net cash flows generated from operating activities	990	1,547
Investing activity		
Purchase of property, plant and equipment, net	(773)	(1,102)
Net cash flows used in investing activity	(773)	(1,102)
Financing activities		
Dividend paid to shareholders	-	(1,729)
Loan from non-controlling interests	-	665
Net cash flows used in financing activities	-	(1,064)
Net increase / (decrease) in cash and cash equivalents	217	(619)
Cash and cash equivalents at 1 January	48,129	45,405
Cash and cash equivalents at 30 June	48,346	44,786

Note to the statement of cash flows

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	30 June 2020	30 June 2019
	S\$'000	S\$'000
Fixed deposits	20,494	30,579
Cash and bank balances	27,852	14,207
	48,346	44,786

1d(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity

	Equity Total S\$'000	Equity attributable to owners of the Company S\$'000	Share capital S\$'000	Retained earnings S\$'000	Employee share option reserve S\$'000	Other reserve S\$'000	Non- controlling interests S\$'000
<u>The Group</u>							
Balance as at 1 January 2020	58,218	58,286	46,780	11,293	59	154	(68)
Profit / (loss) for the period	998	1,397	-	1,397	-	-	(399)
Share-based payment expense	61	61	-	-	61	-	-
<u>Other comprehensive income</u>							
Foreign currency translation	13	8	-	-	-	8	5
Balance as at 30 June 2020	59,290	59,752	46,780	12,690	120	162	(462)

1d(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity

	Equity Total S\$'000	Equity attributable to owners of the Company S\$'000	Share capital S\$'000	Retained earnings S\$'000	Other reserve S\$'000	Non- controlling interests S\$'000
<u>The Group</u>						
Balance as at 1 January 2019	57,865	57,341	46,780	10,538	23	524
Profit / (loss) for the period	809	1,090	-	1,090	-	(281)
<u>Other comprehensive income</u>						
Foreign currency translation	(1)	-	-	-	-	(1)
Dividends on ordinary shares	(1,729)	(1,729)	-	(1,729)	-	-
Balance as at 30 June 2019	56,944	56,702	46,780	9,899	23	242

1d(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity

	Equity, Total S\$'000	Share capital S\$'000	Retained earnings S\$'000	Share based compensation reserve S\$'000
The Company				
Balance as at 1 January 2020	55,835	40,810	14,966	59
Profit for the period, representing total comprehensive income for the period	9	-	(52)	61
Balance as at 30 June 2020	55,844	40,810	14,914	120

The Company

Balance as at 1 January 2019	57,882	40,810	17,072	-
Profit for the period, representing total comprehensive income for the period	95	-	95	-
Dividends on ordinary shares	(1,729)		(1,729)	
Balance as at 30 June 2019	56,248	40,810	15,438	-

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of Shares	Resultant Share Capital S\$	No. of Treasury Shares
<u>Issued and Paid-Up Capital</u>			
Issued and paid-up capital as at 31 December 2019	86,460,602	40,809,630	-
Issued and paid-up capital as at 30 June 2019	86,460,602	40,809,630	-

There were no outstanding share options and outstanding convertibles as at 30 June 2019 and 30 June 2020.
There were no treasury shares held and no subsidiary holdings as at 30 June 2019 and 30 June 2020.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30-Jun-20	31-Dec-19
Total number of issued shares	86,460,602	86,460,602
Less : Treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>86,460,602</u>	<u>86,460,602</u>

1(d)(iv) A statement showing all the sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS (I)") framework and the new accounting standards that are effective on 1 January 2019. The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	For the 6 months ended 30 June	
	2020	2019
Profit per ordinary share (cents),		
(i) Basic earnings per share	1.62	1.26
(ii) Diluted earnings per share	1.62	1.26
Number of shares		
Weighted average number of ordinary shares in issue applicable to basic EPS	86,460,602	86,460,602

*925,000 share options granted to and accepted by employees under the employee share option plans have not been included in the calculation of diluted earning per share because they are anti-dilutive.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 30.06.20	As at 31.12.19	As at 30.06.20	As at 31.12.19
(Based on 86,460,602 shares) Net asset value per share** (\$ cents)	69.11	67.41	64.59	64.58

** Net asset value attributable to the Company's shareholders excluding net assets attributable to non-controlling interests.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(1) Sales of goods and services

Sales of goods and services decreased by \$2,833k from \$10,322k in H1 FY2019 to \$7,489k in H1 FY2020. The decrease was due mainly to the reduction in restaurant, banquets, room and chartering sales arising from the impact Covid-19.

(2) Membership related fees and management fees

Membership related fees and management fees decreased by \$485k from \$5,039k in H1 FY2019 to \$4,554k in H1 FY2020. The decrease was due to a rebate of membership subscription given in the form of F&B credit.

(3) Other income

Other income increased by \$994k from \$438k in H1 FY2019 to \$1,432k in H1 FY2020. The increase was due mainly to government grants such as the job support scheme and foreign worker levy rebate.

(4) Advertising, publication and event expenses

Advertising, publication and event expenses decreased by \$565k from \$893k in H1 FY2019 to \$328k in H1 FY2020. The decrease was due to the reduction in marketing activities in ONE15 Puteri Harbour Marina in Malaysia and the postponement of the Singapore Yacht Show.

(5) Cost of sales

Cost of sales decreased by \$1,019k from \$2,296k in H1 FY2019 to \$1,277k in H1 FY2020. The decrease was due mainly to the reduction in restaurant, banquets, room and chartering sales in line with the decline in sales.

(6) Repair, maintenance and cleaning expenses

Repair, maintenance and cleaning expenses decreased by \$186k from \$883k in H1 FY2019 to \$697k in H1 FY2020. The decrease was due mainly to reduction of cleaning services expense and decrease in repair and maintenance expense.

(7) Property tax

Property tax decreased by \$295k from \$381k in H1 FY2019 to \$86k in H1 FY2020. The decrease was due to one-off property tax rebate granted to ONE15 Sentosa Marina.

(8) Loan interest, bank and credit card charges

Loan interest, bank and credit card charges decreased by \$116k from \$245k in H1 FY2019 to \$129k in H1 FY2020. The decrease was due mainly to less credit card charges and lower merchant rates.

(9) Income tax expense

Income tax expense decreased by \$102k from \$370k in H1 FY2019 to \$268k in H1 FY2020. The decrease was mainly due to the lower chargeable income for H1 FY2020 compared to H1 FY2019.

(10) Statement of financial position

As at 30 June 2020, the Group's net assets attributable to the Company's shareholders were \$59.75m as compared to \$58.29m as at 31 December 2019. The net assets of \$59.75m as at 30 June 2020 included cash and cash equivalents of \$48.35m. The net assets as at 31 December 2019 of \$58.29m included cash and cash equivalents of \$48.13m.

(11) Trade and other receivables

Trade and other receivables decreased by \$541k from \$3,544k at the end of FY2019 to \$3,003k at the end of H1 FY2020. The decrease was mainly due to the decrease in sales as a result of Covid-19.

(12) Prepayments

Prepayments decreased by \$242k from \$426k at the end of FY2019 to \$184k at the end of H1 FY2020. The decrease was mainly due to reduction of insurance and maintenance fee prepayment.

(13) Trade and other payables

Trade and other payables decreased by \$2,321k from \$9,368k at the end of FY2019 to \$7,047k at the end of H1 FY2020. The decrease was due mainly to less accruals at end of H1 FY 2020.

(14) Income tax payables

Income tax payables increased by \$235k from \$1,682k at the end of FY2019 to \$1,917k at the end of H1 FY2020. The increase was due mainly to the provision for income tax in H1 FY2020.

(15) Non-controlling interests

Non-controlling interests decreased by \$394k from Deficit \$68k at the end of FY2019 to Deficit \$462k at the end of H1 FY2020. The decrease was mainly due to the non-controlling interests' share of loss in subsidiaries in H1 FY2020.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company did not make any forecast or prospect statement in respect of the Group's results in its 2019 fourth quarter financial results announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group currently derives its revenue mainly from operating the ONE15 Marina Club in Sentosa, Singapore ("ONE15 Sentosa") and providing consultancy to and managing of third-party owned marinas located in China, Indonesia and USA, under the ONE15 brand.

The project to reconfigure its pontoons at ONE15 Sentosa which commenced in FY2019 is still expected to be completed in Q4 FY2020 as per initial timeline. ONE15 Sentosa has obtained approval from the authorities to re-commence work in Q3 FY2020.

The Group's Malaysia subsidiary's tendering process for both the club house and marina has been put on hold in view of the strict border control measures between Malaysia and Singapore. The construction is hence delayed and will commence in Q1 FY2021.

The Company had announced on 22 February 2018 that ONE15 Marina Holdings Pte. Ltd. had entered into a conditional share sale and purchase agreement to acquire a majority stake in a company in Thailand to develop and operate a proprietary yacht club in Makham Bay, Phuket subject to certain conditions.

The Group will continue to seek opportunities globally to grow its business through developing new integrated marinas, acquiring existing marinas and managing third party-owned marinas.

The on-going Covid-19 pandemic has a material short-term impact on the Group's business specifically its hospitality, food & beverage and short term berthing segments. It is expected to continue to affect the Group's performance as the global outbreak persists.

11. If a decision regarding a dividend has been made :-

(a) Whether a dividend has been declared (recommended) for the current financial period reported for

No

(b) (i) Amount per share ... cents;

Not Applicable

(ii) Previous corresponding financial period.... cents.

None for H1 FY2019.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not Applicable

(d) The date the dividend is payable.

Not Applicable

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not Applicable

12. If no dividend has been declared/(recommended), a statement to that effect and the reason the decision.

Not Applicable.

13. Interested Person Transactions

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The company do not have a general manadate from shareholders for IPTs.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

15. Negative Assurance Confirmation

The Board of Directors has confirmed that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the period ended 30 June 2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
Arthur Tay Teng Guan
Executive Director and Chief Executive Officer
13-Aug-2020

Press and analysts enquiries

Please contact the following for further information :-

Investor Relations
SUTL Enterprise Limited
SUTL House, #05-00
100J Pasir Panjang Road
Singapore 118525
E-mail: investors_relations@sutl.com