



First Quarter Financial Statement Announcement 2016

Part 1 - INFORMATION REQUIRED FOR FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT

INTRODUCTION

SUTL Enterprise Limited (Formerly known as Achieva Limited) (“the Company”) had on 10th June 2015 completed the acquisition (“RTO” or the “Acquisition”) of SUTL Marine Development Pte. Ltd. and One15 Luxury Yachting Pte. Ltd.. The Company, as set out in the circular to the shareholders dated 11th May 2015 (“Circular”), has issued 341,463,414 new shares to satisfy the consideration for the Acquisition on 10th June 2015 and changed its name to SUTL Enterprise Limited.

With the completion of the Acquisition, the Enlarged Group comprises:

- I) SUTL Enterprise Limited and its Operating Subsidiaries (hereinafter refer to as the “Achieva Group”) and
- II) SUTL Marina Development Pte. Ltd. and ONE15 Luxury Yachting Pte. Ltd. (hereinafter refer to as the “SUTL Group ”)

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Acquisition has been accounted for as a reverse acquisition in accordance with FRS 103, and the legal subsidiary, SUTL Group, was deemed to be the accounting acquirer for accounting purposes.

- a) The consolidated income statement of the Group for the period ended 31 March 2016 referred to the Enlarged Group, which included the results of the SUTL Group and Achieva Group from 1 January 2016 to 31 March 2016.
- b) The consolidated income statement of the Group for the period ended 31 March 2015 referred to the results of the SUTL Group for the period from 1 January 2015 to 31 March 2015.
- c) The consolidated statement of financial position of the Group as at 31 March 2016 referred to the Enlarged Group, which included the assets and liabilities of the SUTL Group and Achieva Group as at 31 March 2016.
- d) The consolidated statement of financial position of the Group as at 31 December 2015 referred to Enlarged Group, which included the assets and liabilities of the SUTL Group and Achieva Group as at 31 December 2015.
- e) The consolidated cash flow statement of the Group for the year ended 31 March 2016 referred to the Enlarged Group, which included the cash flows of SUTL Group for the period from 1 January 2016 to 31 March 2016 and Achieva Group for the period from 1 January 2016 to 31 March 2016.
- f) The consolidated statement of cash flows of the Group for the year ended 31 March 2015 refers to the cash flows of the SUTL Group.
- g) The statements of financial position of the Company as at 31 March 2016 and 31 December 2015 referred to that of SUTL Enterprise Limited.

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INTRODUCTION

SUTL Enterprise Limited ("the Company") had on 27 January 2016 disposed of its subsidiaries, Achieva Technology Pte Ltd and its subsidiaries ("ATPL Group") ("the Disposal"). The Disposal was announced on SGX-Net on the same day.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

At Group Level

In accordance with Singapore Financial Reporting Standard SFRS 105, the assets, liabilities and performance of ATPL Group are accounted for in the consolidated financial statements of the Company for the financial year 2015 as follows:

- a. the total assets of ATPL Group are accounted for as assets held for sale and disclosed in the consolidated balance sheet as "Current assets of the disposal group",
- b. the total liabilities of ATPL Group are disclosed in the consolidated balance sheet as "Current liabilities of the disposal group",

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

	Group		
	Statement of comprehensive income for the 3 months ended 31 March		
	2016	2015	Variance
	S\$'000	S\$'000	%
Revenue			
Sales of goods and services	4,926	5,388	-9%
Entrance and transfer fee	219	175	25%
Subscription fee	1,565	1,617	-3%
Other income	150	23	557%
Total income	6,860	7,203	-5%
Item of Expenses			
Salaries and other employee benefits	(2,423)	(2,335)	4%
Advertising, publication and event expenses	(177)	(342)	-48%
Depreciation of property, plant and equipment	(451)	(482)	-6%
Inventories recognised as an expense in cost of sales	(827)	(1,187)	-30%
Repair, maintenance and cleaning expenses	(520)	(546)	-5%
Utilities	(381)	(395)	-4%
Property tax	(204)	(204)	0%
Provision for inventory obsolescence and doubtful debts	(1)	-	nm
Finance costs	(93)	(82)	13%
Other expenses	(754)	(336)	124%
Total expenses	(5,831)	(5,909)	-1%
Profit before tax	1,029	1,294	-20%
Income tax expense	(246)	(223)	11%
Profit for the period representing total comprehensive income for the period attributable to the owners of the company	783	1,071	-27%

nm : not meaningful

Notes to Statement of Comprehensive Income

(i) Profit for the period is stated after (charging)/crediting:

For continuing operations only:-

	Group		
	3 Months Ended 31 March		
	2016	2015	Variance
	S\$ '000	S\$ '000	%
Interest income	155	-	nm
Depreciation of plant and equipment	(451)	(482)	-6%
Financial expenses, net	(93)	(82)	13%
Foreign exchange (loss)	(131)	-	nm

(iii) Adjustments for under or over provision of tax of previous years

Over provision of tax in respect of prior years

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 31-Mar-16 S\$'000	Audited 31-Dec-15 S\$'000	Unaudited 31-Mar-16 S\$'000	Audited 31-Dec-15 S\$'000
ASSETS				
Non-current assets				
Plant and equipment	17,485	17,674	-	3
Investment in subsidiaries	-	-	17,415	19,802
	<u>17,485</u>	<u>17,674</u>	<u>17,415</u>	<u>19,805</u>
Current Assets				
Inventories	203	222	-	-
Trade and other receivables	3,174	3,866	1,248	403
Prepayments	213	429	-	-
Due from related companies	121	47	127	57
Cash and cash equivalents	37,651	34,540	33,382	31,058
	<u>41,362</u>	<u>39,104</u>	<u>34,757</u>	<u>31,518</u>
Assets of the disposal group	-	22,711	-	-
	<u>41,362</u>	<u>61,815</u>	<u>34,757</u>	<u>31,518</u>
Total Assets	<u>58,847</u>	<u>79,489</u>	<u>52,172</u>	<u>51,323</u>
EQUITY AND LIABILITIES				
Current Liabilities				
Trade and other payables	3,223	4,623	-	314
Due to related companies	-	13	-	-
Loan from subsidiary company	-	-	9,440	8,500
Income tax payable	928	682	-	-
Other liabilities	2,116	2,166	409	-
	<u>6,267</u>	<u>7,484</u>	<u>9,849</u>	<u>8,814</u>
Liabilities of the disposal group	-	17,693	-	-
	<u>6,267</u>	<u>25,177</u>	<u>9,849</u>	<u>8,814</u>
Net Current Assets	35,095	36,638	24,909	22,704
Non-Current Liabilities				
Deferred tax liabilities	1,429	1,429	-	-
Total Liabilities	<u>7,696</u>	<u>26,606</u>	<u>9,849</u>	<u>8,814</u>
Net Assets	<u>51,151</u>	<u>52,883</u>	<u>42,323</u>	<u>42,509</u>
Equity attributable to owners of the Company				
Share Capital	46,780	46,780	40,810	40,810
Retained earnings	4,371	3,588	1,513	1,699
Other reserves	-	(117)	-	-
	<u>51,151</u>	<u>50,251</u>	<u>42,323</u>	<u>42,509</u>
Non-controlling interests	-	2,632	-	-
Total equity	<u>51,151</u>	<u>52,883</u>	<u>42,323</u>	<u>42,509</u>
Total equity and liabilities	<u>58,847</u>	<u>79,489</u>	<u>52,172</u>	<u>51,323</u>

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

	As at 31.03.2016		As at 31.12.2015	
	Secured S\$ '000	Unsecured S\$ '000	Secured S\$ '000	Unsecured S\$ '000
<u>Continuing Operations</u>				
(a) Amount repayable in one year or less, or on demand	-	-	-	-
(b) Amount repayable after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Details of any collateral

Not applicable.

Discontinued Operation

(a) Amount repayable in one year or less, or on demand	-	-	-	9,520
(b) Amount repayable after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,520</u>

Details of any collateral

The loan by the discontinued operation was secured by a corporate guarantee of Serial System Limited (Non-Controlling owner of the disposed discontinued operation).

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.

Statement of cash flows	Group	
	Statement of cash flows for the period ended 31 March	
	2016	2015
	S\$ '000	S\$ '000
Operating activities		
Profit before tax	1,029	1,294
Cash flows from/(used in) operating activities:		
Adjustments for:		
Depreciation of property, plant and equipment	451	482
Realisation of translation reserve on disposal of a subsidiary	117	-
Operating cash flows before changes in working capital	1,597	1,776
Decrease in inventories	19	32
Decrease in trade and other receivables	1,808	745
(Increase) / decrease in due from related company	(74)	195
Decrease in due to related company	(13)	(197)
(Decrease) in trade and other payables and other liabilities	(1,450)	(647)
Cashflows generated from operations	1,887	1,904
Income taxes paid	-	9
Net cash flows generated from operating activities	1,887	1,913
Investing activities:		
Proceed from sale of subsidiary company	1,485	-
Proceed from sale of property, plant and equipment	-	892
Purchase of property, plant and equipment	(261)	(90)
Net cash flows generated from/(used in) investing activities	1,224	802
Financing activities:		
Payment of dividend	-	(1,000)
Net cash flows used in financing activities	-	(1,000)
Net increase in cash and cash equivalent	3,111	1,715
Cash and cash equivalent at 1 January	34,540	6,368
Cash and cash equivalent at 31 March	37,651	8,083

Note to the statement of cash flows

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

	31 March 2016	31 March 2015
Fixed deposits	31,580	-
Cash and bank balances	6,071	8,083
	37,651	8,083

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	Foreign currency translation reserve S\$'000	Non- controlling interests S\$'000
The Group						
Balance as at 1 January 2016	52,883	50,251	46,780	3,588	(117)	2,632
Profit for the period	783	783	-	783	-	-
Disposal of a subsidiary company	(2,515)	117	-		117	(2,632)
Balance as at 31 March 2016	51,151	51,151	46,780	4,371	-	-

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	Foreign currency translation reserve S\$'000	Non- controlling interests S\$'000
The Group						
Balance as at 1 January 2015	23,071	23,071	20,100	2,971	-	-
Profit for the period	1,071	1,071	-	1,071	-	-
Dividend paid to SUTL Leisure Pte Ltd, the then existing shareholder of SUTL Marina Development Pte Ltd	(1,000)	(1,000)	-	(1,000)	-	-
Balance as at 31 March 2015	23,142	23,142	20,100	3,042	-	-

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 2016	42,509	40,810	1,699	-
Loss for the period, representing total comprehensive income for the period	(186)	-	(186)	-
Balance as at 31 March 2016	<u>42,323</u>	<u>40,810</u>	<u>1,513</u>	<u>-</u>
The Company				
Balance as at 1 January 2015	27,608	23,395	3,491	722
Loss for the period, representing total comprehensive income for the period	(110)	-	(110)	-
Balance as at 31 March 2015	<u>27,498</u>	<u>23,395</u>	<u>3,381</u>	<u>722</u>

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

<u>Issued and Paid-Up Capital</u>	No. of Shares	Resultant Share Capital S\$	No. of Treasury shares
Issued and paid-up capital as at 31 December 2015	86,460,611	40,809,630	-
Issued and paid-up capital as at 31 March 2016	86,460,611	40,809,630	-

There are no outstanding share options as at 31 March 2016.

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.

	31-Mar-16	31-Dec-15
Total number of issued shares	86,460,611	86,460,611
Less : Treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>86,460,611</u>	<u>86,460,611</u>

1(d)(iv) A statement showing all the sales, transfers, disposal, cancellation and/or use of treasury shares 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 qualifications or emphasis of matter).

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 applied the same accounting policies and methods of computation in the quarterly announcements for the current financial period as those of the audited financial statements for the year ended 31 December 2015, as well as the applicable Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2016. The adoption of these new and revised FRSs has no material effect on the year end announcement for the current financial year.

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.

Please refer to item 4 above.

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.

	After Share Consolidation	
	For the period ended 31 March 2016	2015
Profit per ordinary share (cents),		
(i) Basic earnings per share	0.91	3.14
(ii) Diluted earnings per share	0.91	3.14
	Number of shares	
Weighted average number of ordinary shares in issue applicable to basic EPS*	86,460,611	34,146,341
	<u>86,460,611</u>	<u>34,146,341</u>

* Assuming that the share consolidation of 10:1 happened on 1 January 2015

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.

	After Share Consolidation			
	Group		Company	
	As at 31.03.16	As at 31.12.15	As at 31.03.16	As at 31.12.15
Net asset value per share (S\$ cents)	59.16	58.12	48.95	49.17

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

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 \$0.5m from \$5.4m in Q1 FY2015 to \$4.9m in Q1 FY2016. The decrease was due mainly to lower F&B sales.

(2) Entrance and transfer fee

Entrance and transfer fee increased by \$44k from \$175k in Q1 FY2015 to \$219k in Q1 FY2016. The increase was due mainly to sale of an individual membership in Q1 FY2016. There was no such sale in Q1 FY2015.

(3) Other income

Other Income increased by \$127k from \$23k in Q1 FY2015 to \$150k in Q1 FY2016. The increase was due mainly to higher interest income from fixed deposits.

(4) Advertising, publication and event expenses

Advertising, publication and event expenses decreased by \$165k from \$342k in Q1 FY2015 to \$177k in Q1 FY2016. The decrease was due mainly to less marketing expenses and cost control on events organised.

(5) Inventories recognised as an expense

Inventories recognised as an expense decreased by \$360k from \$1,187k in Q1 FY2015 to \$827k in Q1 FY2016. The decrease was due mainly to lower F&B sales.

(6) Finance costs

Finance costs increased by \$11k from \$82k in Q1 FY2015 to \$93k in Q1 FY2016. The increase was due mainly to more members using credit cards to make payments.

(7) Other expenses

Other expenses increased by \$418k from \$336k in Q1 FY2015 to \$754k in Q1 FY2016. The increase was due mainly to foreign exchange losses, realisation of translation reserve on disposal of a subsidiary, increase in business development expenses and increase in professional fees.

(8) Income tax expenses

Tax expenses increased by \$23k from \$223k in Q1 FY2015 to \$246k in Q1 2016. The higher tax expenses in Q1 FY2016 despite lower profit before tax was due mainly to expenses of the Company that are not tax deductible.

(9) Statement of financial position

As at 31 March 2016, the Group's net assets were \$51.2m compared to \$52.9m as at 31 December 2015. The net assets of \$51.2m included cash and cash equivalents of \$37.7m. The net assets as at 31 December 2015 of \$52.9m included cash and cash equivalents of \$34.5m.

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. (Continued from previous page)

(10) Trade and other receivables

Trade and Other Receivables decreased by \$692k from \$3.9m at the end of FY2015 to \$3.2m at the end of Q1 2016. The decrease was due mainly to improved debt collection offset partially by the receivable from the disposal of ATPL Group (see (13) below).

(11) Prepayments

Prepayments decreased by \$216k from \$429k at the end of FY2015 to \$213k at the end of Q1 2016. The decrease was due mainly to a prepayment for the cost of renovation of the ballroom, as the final payment of the ballroom was made to the contractors in January 2016.

(12) Due from related companies

Due from related companies increased by \$74k from \$47k at the end of FY2015 to \$121k at the end of Q1 2016. The increase was due mainly to sale of services to related companies.

(13) Assets of the disposal group

These relate to Achieva Technology Pte Ltd and its subsidiaries ("ATPL Group") that the company acquired in June 2015 according to the reverse takeover accounting treatment. The company disposed off the ATPL Group in January 2016.

(14) Trade and other payables

Trade and Other Payables decreased by \$1.4m from \$4.6m at the end of FY2015 to \$3.2m at the end of Q1 2016. The decrease was due mainly to payment of trade payables and payment in January 2016 of accrued staff variable bonus for FY2015.

(15) Income tax payable

Income tax payable increased by \$246k from \$682k at the end of FY2015 to \$928k at the end of Q1 2016. The increase was due mainly to the provision of income tax on Q1 FY2016 profits.

(16) Due to related companies

Due to related companies decreased by \$13k from \$13k at the end of FY2015 to Nil at the end of Q1 2016. The decrease was due mainly to payments to the related companies.

(17) Liabilities of the disposal group

These relate to Achieva Technology Pte Ltd and its subsidiaries ("ATPL Group") that the company acquired in June 2015 according to the reverse takeover accounting treatment. The company disposed off the ATPL Group in January 2016.

(18) Non controlling interest

This relates to non controlling interest in the ATPL Group that the company acquired in June 2015 according to the reverse takeover accounting treatment. The company disposed off the ATPL Group in January 2016.

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 for the year end financial results announcement 2015 (the "Q4 FY2015 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 is not aware of any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Integrated Marina Development

The market conditions in which the integrated marina development operates remain stable. The company had announced on 22nd February 2016 that its wholly-owned subsidiary SUTL Marina Holdings Pte Ltd had entered into a joint venture agreement with UEM Land Berhad to incorporate and operate a joint venture company. That company will be in the lifestyle and leisure industry which shall include , inter alia, developing the existing marina in Puteri Harbour, developing and operating a proprietary yacht club, operating a sports centre and such other businesses agreed between the parties to the joint venture agreement. The Company will continue to seek opportunities in the premier integrated marina business.

11. 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 interim financial results for the period ended 31 March 2016 to be false or misleading in any material aspect.

12. 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) of the SGX-ST Listing Manual.

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) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Arthur Tay Teng Guan

Executive Director and Chief Executive Officer

6-May-2016

Press and analysts enquiries

Please contact the following for further information :-

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