



Second Quarter Financial Statement Announcement 2019

Part 1 - INFORMATION REQUIRED FOR SECOND QUARTER ANNOUNCEMENT

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.

Statement of Comprehensive Income

	Group 3 months ended 30 June			Group 6 months ended 30 June		
	2019 S\$'000	2018 S\$'000	Variance %	2019 S\$'000	2018 S\$'000	Variance %
Revenue						
Sales of goods and services	5,239	4,825	9%	10,322	9,905	4%
Membership related fees and management fees	2,471	2,570	-4%	5,039	5,086	-1%
Other income	237	242	-2%	438	402	9%
Total income	7,947	7,637	4%	15,799	15,393	3%
Item of expenses						
Salaries and other employee benefits	(2,990)	(2,670)	12%	(5,717)	(5,331)	7%
Advertising, publication and event expenses	(394)	(323)	22%	(893)	(563)	59%
Depreciation of property, plant and equipment	(1,447)	(1,404)	3%	(2,887)	(2,805)	3%
Cost of sales	(1,218)	(1,210)	1%	(2,296)	(2,414)	-5%
Repair, maintenance and cleaning expenses	(454)	(477)	-5%	(883)	(932)	-5%
Utilities	(170)	(139)	23%	(320)	(282)	13%
Property tax	(190)	(189)	1%	(381)	(378)	1%
Provision for doubtful debts	(47)	(50)	-6%	(36)	(99)	-64%
Loan interest, bank and credit card charges	(136)	(97)	40%	(245)	(194)	26%
Other expenses	(559)	(412)	36%	(962)	(953)	1%
Total expenses	(7,605)	(6,971)	9%	(14,620)	(13,951)	5%
Profit before tax	342	666	-49%	1,179	1,442	-18%
Income tax expense	(130)	(113)	15%	(370)	(288)	28%
Profit after tax	212	553	-62%	809	1,154	-30%
Other comprehensive income:						
Foreign currency translation (loss) / gain	(16)	(3)	nm	(1)	25	-104%
Total comprehensive income	196	550	-64%	808	1,179	-31%
Profit / (Loss) attributable to:						
Owners of the company	345	585	-41%	1,090	1,224	-11%
Non-controlling interests	(133)	(32)	nm	(281)	(70)	nm
	212	553	-62%	809	1,154	-30%
Other comprehensive income attributable to:						
Owners of the company	(9)	(2)	nm	-	15	nm
Non-controlling interests	(7)	(1)	nm	(1)	10	nm
	(16)	(3)	nm	(1)	25	nm

nm : not meaningful

Notes to Statement of Comprehensive Income

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

	Group			Group		
	3 months ended 30 June			6 months ended 30 June		
	2019	2018	Variance	2019	2018	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	123	113	9%	311	246	26%
Depreciation of property, plant and equipment	(1,447)	(1,404)	3%	(2,887)	(2,805)	3%
Loan interest, bank and credit card charges	(136)	(97)	40%	(245)	(194)	26%
Foreign exchange (loss) / gain	(31)	167	nm	(50)	88	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-19 S\$'000	Audited 31-Dec-18 S\$'000	Unaudited 30-Jun-19 S\$'000	Audited 31-Dec-18 S\$'000
<u>ASSETS</u>				
Non-current assets				
Property, plant and equipment	74,813	76,598	-	-
Investments in subsidiaries	-	-	17,593	17,593
	<u>74,813</u>	<u>76,598</u>	<u>17,593</u>	<u>17,593</u>
Current assets				
Inventories	170	148	-	-
Trade and other receivables	3,646	3,669	548	836
Prepayments	334	233	-	-
Due from related companies	128	92	3,752	7,974
Cash and cash equivalents	44,786	45,405	37,043	34,355
	<u>49,064</u>	<u>49,547</u>	<u>41,343</u>	<u>43,165</u>
Total assets	<u>123,877</u>	<u>126,145</u>	<u>58,936</u>	<u>60,758</u>
<u>EQUITY AND LIABILITIES</u>				
Current liabilities				
Trade and other payables	6,350	6,468	178	354
Due to related companies	86	8	-	-
Loan from a subsidiary	-	-	2,500	2,501
Deferred membership income	3,796	3,802	-	-
Income tax payable	579	670	10	21
	<u>10,811</u>	<u>10,948</u>	<u>2,688</u>	<u>2,876</u>
Net current assets	38,253	38,599	38,655	40,289
Non-current liabilities				
Loan from non-controlling interests	665	-	-	-
Deferred membership income	54,432	56,313	-	-
Deferred tax liabilities	1,025	1,019	-	-
	<u>56,122</u>	<u>57,332</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>66,933</u>	<u>68,280</u>	<u>2,688</u>	<u>2,876</u>
Net assets	<u>56,944</u>	<u>57,865</u>	<u>56,248</u>	<u>57,882</u>
Equity attributable to owners of the Company				
Share capital	46,780	46,780	40,810	40,810
Retained earnings	9,899	10,538	15,438	17,072
Translation reserve	23	23	-	-
	<u>56,702</u>	<u>57,341</u>	<u>56,248</u>	<u>57,882</u>
Non-controlling interests	242	524	-	-
Total equity	<u>56,944</u>	<u>57,865</u>	<u>56,248</u>	<u>57,882</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.

<u>Statement of Cash Flows</u>	Group	
	6 months ended 30 June	
	2019 S\$'000	2018 S\$'000
Operating activities		
Profit before tax	1,179	1,442
Adjustments for:		
Depreciation of property, plant and equipment	2,887	2,805
Deferred membership income recognised	(1,887)	(1,988)
Provision for doubtful debts	36	99
Currency realignment	(1)	25
Operating cash flows before changes in working capital	2,214	2,383
Changes in working capital:		
(Increase) / decrease in inventories	(22)	38
(Increase) / decrease in trade and other receivables and prepayments	(114)	1,031
(Increase) / decrease in due from related companies	(36)	27
Increase / (decrease) in due to related companies	78	(32)
Decrease in trade and other payables and other liabilities	(118)	(453)
Total changes in working capital	(212)	611
Cash flows generated from operations	2,002	2,994
Income tax paid	(455)	(362)
Net cash flows generated from operating activities	1,547	2,632
Investing activity		
Purchase of property, plant and equipment, net	(1,102)	(961)
Net cash flows used in investing activity	(1,102)	(961)
Financing activities		
Dividend paid to shareholders	(1,729)	(1,729)
Loan from non-controlling interests	665	-
Net cash flows used in financing activities	(1,064)	(1,729)
Net decrease in cash and cash equivalents	(619)	(58)
Cash and cash equivalents at 1 January	45,405	45,132
Cash and cash equivalents at 30 June	44,786	45,074

Note to the statement of cash flows

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

	30 June 2019 S\$'000	30 June 2018 S\$'000
Fixed deposits	30,579	31,925
Cash and bank balances	14,207	13,149
	44,786	45,074

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

	As at 30.06.2019		As at 31.12.2018	
	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	-	665	-	-
	<u>-</u>	<u>665</u>	<u>-</u>	<u>-</u>

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
<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	597	745	-	745	-	(148)
<u>Other comprehensive income</u>						
Foreign currency translation	15	9	-	-	9	6
Balance as at 31 March 2019	58,477	58,095	46,780	11,283	32	382
Profit / (loss) for the period	212	345	-	345	-	(133)
<u>Other comprehensive income</u>						
Foreign currency translation	(16)	(9)	-	-	(9)	(7)
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	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 2018	57,366	56,655	46,780	9,857	18	711
Cumulative effects of adopting SFRS (I) and SFRS (I) 15	(3,392)	(3,392)	-	(3,392)	-	-
Balance as at 1 January 2018, as restated*	53,974	53,263	46,780	6,465	18	711
Profit / (loss) for the period	601	639	-	639	-	(38)
<u>Other comprehensive income</u>						
Foreign currency translation	28	17	-	-	17	11
Balance as at 31 March 2018	54,603	53,919	46,780	7,104	35	684
Profit / (loss) for the period	553	585	-	585	-	(32)
<u>Other comprehensive income</u>						
Foreign currency translation	(3)	(2)	-	-	(2)	(1)
Dividends on ordinary shares	(1,729)	(1,729)	-	(1,729)	-	-
Balance as at 30 June 2018	53,424	52,773	46,780	5,960	33	651

*Prior period figures were restated upon adoption of Singapore Financial Reporting Standards (International) ("SFRS (I)") including SFRS (I) 15 Revenue from Contracts with Customers.

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
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	73	-	73
Balance as at 31 March 2019	<u>57,955</u>	<u>40,810</u>	<u>17,145</u>
Dividends on ordinary shares	(1,729)	-	(1,729)
Profit for the period, representing total comprehensive income for the period	22	-	22
Balance as at 30 June 2019	<u>56,248</u>	<u>40,810</u>	<u>15,438</u>

The Company

Balance as at 1 January 2018	52,628	40,810	11,818
Loss for the period, representing total comprehensive income for the period	(60)	-	(60)
Balance as at 31 March 2018	<u>52,568</u>	<u>40,810</u>	<u>11,758</u>
Dividends on ordinary shares	(1,729)	-	(1,729)
Profit for the period, representing total comprehensive income for the period	169	-	169
Balance as at 30 June 2018	<u>51,008</u>	<u>40,810</u>	<u>10,198</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 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
Issued and Paid-Up Capital			
Issued and paid-up capital as at 31 December 2018	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 2018 and 30 June 2019.

There were no treasury shares held and no subsidiary holdings as at 30 June 2018 and 30 June 2019.

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-19	31-Dec-18
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 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 adopted the Singapore Financial Reporting Standards (International) ("SFRS (I)") framework and the new accounting standards that are effective on January 1, 2018. 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 2019. 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 3 months ended 30 June		For the 6 months ended 30 June	
	2019	2018	2019	2018
Profit per ordinary share (cents),				
(i) Basic earnings per share	0.40	0.68	1.26	1.42
(ii) Diluted earnings per share	0.40	0.68	1.26	1.42
Number of shares				
Weighted average number of ordinary shares in issue applicable to basic EPS	86,460,602	86,460,602	86,460,602	86,460,602

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 30.06.19	As at 31.12.18	As at 30.06.19	As at 31.12.18
(Based on 86,460,602 shares) Net asset value per share** (S\$ cents)	65.58	66.32	65.06	66.95

** 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) Salaries and other employee benefits

Salaries and other employee benefits increased by \$320k from \$2,670k in Q2 FY2018 to \$2,990k in Q2 FY2019. The increase was mainly due to increase in head count for and in ONE15 Puteri Harbour Marina ("ONE15 Puteri") in Malaysia.

(2) Advertising, publication and event expenses

Advertising, publication and event expenses increased by \$330k from \$563k in H1 FY2018 to \$893k in H1 FY2019. The increase was mainly due to the cost of the ground breaking ceremony at ONE15 Puteri and the preparation of sale and marketing materials.

(3) Other expenses

Other expenses increased by \$147k from \$412k in Q2 FY2018 to \$559k in Q2 FY2019. The increase was mainly due to the reduction in the foreign exchange gain.

(4) Statement of financial position

As at 30 June 2019, the Group's net assets attributable to the Company's shareholders were \$56.70m as compared to \$57.34m as at 31 December 2018. The Group's cash and cash equivalents less loan amounted to \$44.12m as at 30 June 2019 (\$45.40m at 31 December 2018).

(5) Loan from non-controlling interests

Loan from non-controlling interests increased by \$665k from NIL at the end of FY2018 to \$665k at the end of Q2 FY2019. The increase was from a joint venture partner for working capital of a subsidiary.

(6) Non-controlling interests

Non-controlling interests decreased by \$282k from \$524k at the end of FY2018 to \$242k at the end of Q2 FY2019. The decrease was mainly due to the non-controlling interests' share of loss of a subsidiary in H1 FY2019.

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 first 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 derives its revenue mainly from operating the ONE15 Marina Club in Sentosa, Singapore and providing consultancy to and managing of third-party owned marinas located in China, Indonesia and USA, under the ONE15 brand. The market conditions in which the Group operates remain stable. 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.

The Company has announced on 21 December 2018 that its wholly-owned subsidiary, ONE15 Marina Holdings Pte. Ltd.'s ("ONE15 MH") conditional joint venture agreement with UEM Land Berhad to incorporate and operate a joint venture company (the "JV Company") has become unconditional. The JV Company (which is in the lifestyle and leisure industry) will develop the existing marina and develop and operate a proprietary yacht club and sport centre at Puteri Harbour, Johor, Malaysia. The JV Company has commenced the construction of the proprietary yacht club and sale of club memberships in Q2 FY2019. The sales gallery (venue for sale of club membership) was officially opened in July 2019.

The Company has announced on 22 February 2018 that ONE15 MH had entered into a conditional share sale and purchase agreement to acquire a majority stake in a company in Thailand. This company will proceed toward developing and operating a proprietary yacht club in Makham Bay, Phuket, Thailand upon certain conditions being fulfilled.

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.

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 Q2 FY2018.

2 cents per share approved at the company AGM on 25 April 2019. The book closure and payment date were on 24 May 2019 and 7 June 2019 respectively.

(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.

Not Applicable.

13. Interested Person Transactions

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

There were no interested person transactions (above \$100k each) during the financial period of Q2 FY2019 reported on.

We refer to the Company's announcement dated 25 April 2019 in relation to the resolutions passed or not passed at the Annual General Meeting of the Company held on 25 April 2019. With effect from 25 April 2019, the Company has no general mandate 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) 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.

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 2019 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-2019

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