



Cortina Holdings Limited

ANNUAL REPORT 2022

# Contents

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<b>2</b> The Curator of Time	<b>18</b> Group Structure	<b>58</b> Financial Contents
<b>4</b> Chairman's Message	<b>19</b> Financial Highlights	<b>153</b> Corporate Information
<b>8</b> The Golden Jubilee	<b>21</b> Sustainability Report	
<b>10</b> Board of Directors	<b>33</b> Corporate Governance Report	

## Corporate Profile

The times may change but true style and quality last forever. For 50 years, Cortina has established itself as a brand synonymous with impeccable, high-quality timepieces, renowned amongst discerning individuals.

As we progress towards our next phase of growth, we remain focused on our mission of being a leading retailer and distributor of luxury timepieces and accessories across the Asia Pacific region. We continue to expand our network of retail outlets, seeking opportunities in countries and cities with high growth potential, while augmenting and strengthening our presence in key markets like Singapore, Malaysia and Thailand.

Our position in the industry is a result of the collective passion, foresight and diligence of our people. Our commitment and dedication to bringing you the best of luxury horology remains our utmost priority – by achieving that perfect balance through innovation, we continue to delight our customers with timepieces of the highest quality.

## 2022 marks the 50<sup>th</sup> Anniversary for Cortina

The theme of our 50<sup>th</sup> Anniversary logo is illustrated by Chinese calligraphy. Symbolising the trust we have grown with our clients / partners which is akin to how the artist needs to have absolute trust when the brush touches the canvas.



# The Curator of Time

Since our founding in 1972, Cortina Watch has grown from a humble store in Colombo Court, into a dynamic and prominent retailer for fine luxury timepieces across Asia-Pacific. Today, we operate over 40 stores in markets such as Singapore, Malaysia, Thailand, Indonesia, Taiwan, Hong Kong and Australia.



1972

## FOUNDING CORTINA

While Cortina Watch's story begins in 1972, our appreciation for fine watchmaking starts even earlier when our founder, Mr Anthony Lim began his career as a watch associate.



1982

## REACHING BEYOND SINGAPORE

To continue to spread our passion for fine watchmaking across Asia, we looked beyond Singapore's border, opening our first boutique in Malaysia at Regent Hotel.

1992

## DEBUTING OUR ANNIVERSARY EDITIONS

Over the last five decades, we have created many timepieces to commemorate important milestones. These anniversary watches are developed together with our longstanding partners, from boutique brands to the leaders in the industry. The first anniversary watch was launched in 1992. Since then, new models have been created every five years to celebrate our journey.



2000 - 2011

## FUSING HIGH JEWELLERY WITH HIGH WATCHMAKING

The new millennium called for new perspectives in watchmaking. Seeing a growing interest in sophisticated jewellery timepieces, we debuted a conceptual event that merged the crafts of high jewellery with luxury watchmaking. The first Jewellery Time exhibition was held in 2000 at Paragon Shopping Centre, to great acclaim. It grew into a biennial event that continued until 2011.

1970s

1980s

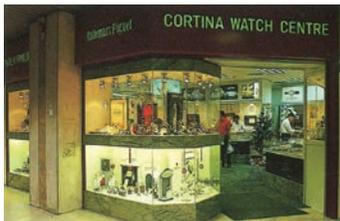
1990s

2000s

1974 - 1976

## GROWING RETAIL PRESENCE

We expanded our retail network from Colombo Court to Metro Orchard and Orchard Tower which were subsequently relocated to Funan Centre, Lucky Plaza and Far East Plaza in the early 1980s.



1997

## CURATING THE FINEST IN WATCHMAKING

To educate the public about horological crafts and bring watchmaking to life for collectors, we have carefully curated experiences that allow our partners to showcase their finest creations to our customers. For instance in 1997, we held an exhibition with Patek Philippe to present the 100-piece, limited edition Silver Jubilee timepiece commissioned for our 25th anniversary. The Patek Philippe Ref. 5057G-001 Calatrava with Date and Power Reserve is powered by the famed calibre 240 and stamped with the Geneva Seal.



2001

## SHAPING NOVEL RETAIL CONCEPTS

To create a more intimate retail environment that offered customers privacy as well as product diversity, we developed the "Espace" retail concept. Its revolutionary modular design catered for immersive, monobrand experiences within a multi-brand store. The first Espace was launched in 2001 at Millenia Walk, Singapore. It won the "Best Retail Concept of the Year" award from the Singapore Retailers Association. Espace was swiftly adopted in Malaysia and Thailand.

More than just a curator and retailer of fine timepieces, Cortina Watch is here to help watchmakers share their personal and unique stories through their creations which we bring to our customers. Through us, collectors have immortalised some of the most important moments of their lives with the

timepieces that they have acquired, to share with their loved ones. Having been a witness to five decades of wonderful memories and stories that will live on through generations, Cortina Watch serves as a custodian of both time and memories.

**2002**

**AN ERA OF GROWTH**

2002 marked our 30<sup>th</sup> anniversary and a key milestone for Cortina Watch. After several years of planning, we became a publicly listed company on the Singapore Exchange.



**2017**

**DELIVERING SEAMLESS RETAIL IN THE 21<sup>ST</sup> CENTURY**

In recent years, Cortina Watch has embraced a digital transformation. We were one of the first retailer in Singapore to introduce e-commerce on our platforms, delivering a multi-channel experience for our customers' convenience. Our e-commerce site has enhanced our role as curators of timekeeping. We created three e-commerce exclusive timepieces by Bell & Ross and TAG Heuer for our e-commerce launch. The Bell & Ross limited edition set a record, selling out within 56 hours.

**2010s**

**2020s**



**2007**

**OUR FIRST ROLEX STANDALONE BOUTIQUE**

We became an Official Retailer for Rolex in Malaysia in 2002 with the launch of the Espace boutique in Kuala Lumpur. We further cement our presence and created an exclusive retail experience for our customers by establishing our first Rolex standalone boutique in Penang in 2007. The Kuala Lumpur boutique still stands today, located within the J.W. Marriott hotel's shopping arcade, The Starhill.

**2009**

**GROWING WITH PATEK PHILIPPE**

As demand for personalised retail increased, with clients expecting the same level of service across different markets, we opened new monobrand boutiques, starting with our longest partner, Patek Philippe. We opened the first Patek Philippe boutique in ION Orchard, Singapore. This was followed by stores in Malaysia, Indonesia, Taiwan, and a second Singapore boutique in Marina Bay Sands. Today, the Patek Philippe store in ION Orchard is Southeast Asia's largest after a 2016 renovation.



**2021**

**WELCOMING A NEW ADDITION TO OUR FAMILY**

In 2021, we completed our planned acquisition of Sincere Watch, a privately-held watch retailer, in order to expand our network to new markets across Asia-Pacific. The acquisition also brings Franck Muller into our growing stable of luxury brands, giving us an even bigger footprint in the luxury watch market.



**2022**

**IN CELEBRATION OF 50<sup>TH</sup> ANNIVERSARY**



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## Chairman's Message



**Lim Keen Ban, Anthony**  
Executive Chairman

**“While we toast  
to our stellar  
results, we also  
celebrate our  
50<sup>th</sup> year of  
operations.”**

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## DEAR SHAREHOLDERS,

Cortina Holdings Limited (“the Group”) delivered another robust performance for the financial year ended 31 March 2022 (“FY2022”) amidst a challenging operating environment marked by uncertainties from the COVID-19 pandemic.

Globally, economic growth rebounded during the year, as the roll-out of coronavirus vaccines boosted economic activity. Meanwhile, Singapore’s economy grew 7.2%, in step with the improved global economic climate. Demand for luxury timepieces remained buoyant over the financial year, as the Group achieved robust results across all the markets where we have an operational presence, with Thailand emerging as our top performer.

While we toast to our stellar results, we also celebrate our 50<sup>th</sup> year of operations. Since opening our doors in 1972, Cortina has grown into a multi-national company with 42 boutiques across East Asia, Southeast Asia and Australia. Over the past five decades, we have charted a steady growth trajectory amidst global crises and economic turbulence – from the severe acute respiratory syndrome (SARS) outbreak to the 2008 financial crisis – and emerged stronger each time. The current COVID-19 pandemic is no exception, as evident from our strong performance in the financial year.

## DELIVERING A VIBRANT PERFORMANCE

In FY2022, the Group achieved robust results. Total revenue edged up 64.1% year-on-year to S\$716.9 million, owing to additional top line from the acquisition of Sincere Watch Limited (“Sincere Watch”) in March 2021. Compared to S\$43.0 million in FY2021, net profit this financial year was 71.7% higher at S\$73.8 million. Contributing to this uptick was good stock management and improved sales margins, which climbed to 32.9% in FY2022, compared to 29.1% in the previous financial year. Our higher sales margin was driven by the price resilience of our products, in tandem with the sustained demand for luxury watches.

Alongside the robust expansion in revenue and profit, the Group generated net operating cash inflow of S\$158.8 million. Meanwhile, net asset value per share rose to 190.0 cents, up from 156.2 cents in FY2021, and earnings per share registered an increase to 41.5 cents, against 24.0 cents in the previous financial year.

# Chairman's Message

## ELEVATING CUSTOMER EXPERIENCE

Propelled by keen foresight and a proactive growth strategy, we remained focused on enhancing our performance and spurring value creation. In line with this, we strived to improve operational efficiency while regularly evaluating our retail outlets' performance to optimise same-store sales. During the year in review, we seized the opportunity to drive brand awareness by transforming our Wisma Atria boutique in Singapore into a Franck Muller museum. Showcasing the brand's three-decade evolution through creative installations, the exhibition drew more than 1,500 visitors over five months, while spotlighting its innovative designs.

At the same time, we continued to raise the bar in customer experience through store refurbishments. We revamped our Paragon outlet in Singapore, increasing its store size by 1,722 square feet ("sqft") to 4,929 sqft, and will be commencing renovation works at our boutique at Raffles City Shopping Centre, which is projected to reach completion in September 2022.

The year also saw us open new stores across the region. In Kaoshiung, Taiwan, we launched a 2,000-sqft retail space in E Sky Mall. Malaysia received three new outlets, including a Rolex boutique and a Cortina Watch store at The Starhill in Kuala Lumpur, as well as our second Patek Philippe boutique at the JW Marriott Hotel Kuala Lumpur. Featuring a striking 9.6 metre façade that is the first of its kind in the world, the latter offers a plush, elegant environment for horological connoisseurs to indulge their desires for luxury watches. Meanwhile, we unveiled a new Franck Muller boutique in ION Orchard. Strategically located at the heart of Singapore's shopping belt, our latest outlet boasts an extensive selection of exquisite timepieces.

We continued to extend our foray into the digital world to bring our luxury timepieces to a wider audience. As part of

our online-to-offline retail strategy, we drove awareness of our collection through online engagements and encouraged customers to view their favourite timepieces in person at our brick-and-mortar stores. During the year, we also commissioned special edition timepieces exclusively for our e-commerce platform, which have since sold out. Through these initiatives, we successfully expanded our customer base and enhanced our understanding of their preferences. Moving forward, we will continue to bolster our digital infrastructure to build on our momentum and deliver a seamless customer experience.

## REALISING OPERATIONAL SYNERGIES, CAPTURING GROWTH OPPORTUNITIES

Our acquisition of Sincere Watch last year allowed us to reap operational synergies, providing Cortina with new growth opportunities in the independent brands segment throughout FY2022. Given that Sincere Watch's portfolio comprises mainly boutique watch brands, while Cortina emphasises international luxury brands, this opens up new markets for the Group with a broad selection of complementary offerings. Beyond the creation of synergies and pooling of resources, the move has allowed us to sharpen our competitive edge in the luxury watch industry.

## FOSTERING SOCIAL SUSTAINABILITY

As a responsible company, we reach beyond the bottom line to champion social sustainability. Demonstrating our commitment to enhancing lives and building communities, we made contributions towards the arts and charitable organisations across Singapore. Our sustainability efforts in FY2022 are detailed in our Sustainability Report, which underscores our dedication to accountability as we strive to integrate sustainable practices throughout our operations.

## OUTLOOK

Macro-economic growth for 2022 is expected to soften, with the International Monetary Fund forecasting global growth to moderate due to inflationary pressures and supply chain disruptions from the Russia-Ukraine conflict and the prospect of interest rate adjustments. We remain confident that our robust balance sheet and strong cash position stand us in good stead to guard against external events. Meanwhile, our prudent capital management provides us with the financial flexibility and leverage to capitalise on strategic opportunities for future growth.

Looking ahead, the gradual easing of COVID-19 measures and border restrictions is projected to improve economic activity and tourist arrivals. This is anticipated to provide an uplift to consumer sentiment and augurs well for the luxury watch industry.

## AWARDS AND ACKNOWLEDGEMENTS

We are honoured that our commitment to excellence was recognised by the industry. Cortina Holdings was named “Overall Winner for Companies in the F&B and Retailers’ Sector” and “Best Returns to Shareholders” at the Edge Centurion Club Awards 2021.

I am grateful to my fellow Directors for their guidance in navigating the Group forward amidst the challenges of COVID-19. My heartfelt thanks also go to our partners, shareholders, management and staff for their continued faith in us, especially those who have supported us since our inception. Your trust has been critical to our success and growth journey as a company.

In view of the Group’s sterling financial performance, I am pleased to inform that the Board of Directors has proposed a record dividend pay-out for FY2022. This comprise a final tax exempt dividend of 2.0 cents, a special tax exempt dividend of 5.0 cents and a special 50<sup>th</sup> Anniversary tax exempt dividend of 5.0 cents per ordinary share, subject to the approval of shareholders at the next annual general meeting to be held on 29 July 2022.

Underpinned by our strong business fundamentals, we remain committed to augmenting our position in the luxury watch sector, while staying focused on delivering long-term sustainable value in the next 50 years and beyond.

**Lim Keen Ban, Anthony**  
Executive Chairman

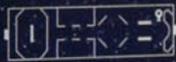
# The Golden Jubilee



## VI

### TWO UNIVERSES

THE FINAL CHAPTER OF THE EXHIBITION ENDS WITH THE JOYOUS UNION OF CORTINA WATCH AND CHOPARD, WHERE THE TWO SPECIAL EDITIONS - HAPPY HEARTS CORTINA WATCH 50TH ANNIVERSARY AND HAPPY MOON CORTINA WATCH 50TH ANNIVERSARY WILL BE UNVEILED. BOTH FAMILY-OWNED BUSINESSES, CORTINA WATCH AND CHOPARD HAVE ENJOYED A CLOSE-KNIT AND SUCCESSFUL PARTNERSHIP SINCE THE 1990s. THIS SPECIAL COLLABORATION FOR CORTINA WATCH'S 50TH ANNIVERSARY WILL BE THE THIRD WITH THE INDEPENDENT SWISS WATCHMAKER AND JEWELLER, FOLLOWING ONE-OFF EDITIONS MADE SPECIALLY TO CELEBRATE CORTINA WATCH'S 35TH AND 40TH ANNIVERSARIES PREVIOUSLY.





## CELEBRATING 50 YEARS AS THE CURATOR OF TIME

Over the last 50 years, we have earned a reputation for curating exquisite timepieces that embrace our customers' distinct tastes and preferences. Our achievements to date are buoyed by the support of our dedicated employees and partners as well as our loyal clientele, whom we have served from generation to generation.

Joining us in commemorating this milestone are eight of our longstanding partners, including Blancpain, Cartier, Chopard, Corum, Franck Muller, H. Moser & Cie., Patek Philippe and TAG Heuer. Together, we have developed a series of special edition timepieces that will be introduced throughout 2022, including a unique dome table clock in cloisonné enamel featuring Singapore's skyline, as well as the Happy Hearts limited edition model that incorporates five twirling diamonds nestled amidst a dancing carnelian heart.

As we press on as one of the leading retailer and distributor of luxury timepieces across the Asia-Pacific region, we remain dedicated to embracing retail innovation and nurturing strong partnerships, while cultivating intergenerational relationships to drive customer experience.

### ← *Happy Sport - Tale of an Icon Exhibition*

*Celebrating Cortina Watch's 50<sup>th</sup> anniversary with an exuberant exhibition with Chopard, paying homage to watchmaking and the modern women.*

*Two special editions - Happy Hearts Cortina 50<sup>th</sup> Anniversary and Happy Moon Cortina 50<sup>th</sup> Anniversary were launched endorsing the close-knit and successful partnership which both the family-owned businesses, Cortina Watch and Chopard have enjoyed since 1992.*

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# Board of Directors



**LIM KEEN BAN, ANTHONY**  
Executive Chairman



**LIM JIT MING, RAYMOND**  
Executive Director  
Group CEO



**LIM JIT YAW, JEREMY**  
Executive Director  
Group COO  
CEO of Cortina Watch

**YU CHUEN TEK, VICTOR**  
Executive Director  
Chief Corporate Affairs Officer



**LAU PING SUM, PEARCE**  
Independent Director



**CHIN SEK PENG, MICHAEL**  
Lead Independent Director



**FOO SEE JIN, MICHAEL**  
Independent Director



**CHUANG KENG CHIEW**  
Independent Director



**TAN SIEW SAN**  
Independent Director

# Board of Directors

## LIM KEEN BAN, ANTHONY

Lim Keen Ban, Anthony is the Executive Chairman of the Group. He is one of the founders of our Group and held the position of Chief Executive Officer (CEO) since 1972. On 1 June 2021 he relinquished his position as CEO and continues as Executive Chairman of the Group. He has headed the distribution business and was instrumental in building up the distribution business in the initial years. His vast experience and leadership has propelled Cortina Watch to new heights over the years. Mr Lim was the President of the Singapore Clock & Watch Trade Association from 2002 to 2008. As Executive Chairman of the Group, he heads the Board of Directors to approve strategic plans and to oversee the stewardship of the Group.

## LIM JIT MING, RAYMOND

Lim Jit Ming, Raymond is an Executive Director of the Group since 1992. He was appointed in 2011 as the Group's Deputy Chairman and Deputy Chief Executive Officer. He plays a pivotal role in assisting the CEO in the overall management, strategic planning and is actively involved in the development of new markets. He has been with the Group since 1980 and has over 40 years of experience and know-how of the watch retail and distribution industry. On 1 June 2021, Mr Raymond Lim ceased to be the Deputy CEO and take up the appointment as CEO of the Group. As Group CEO, he formulates the strategic plans of the Group and directs their implementation.

## YU CHUEN TEK, VICTOR

Yu Chuen Tek, Victor is a Director since 1987 and was appointed Executive Director in 1995. He is now the Chief Corporate Affairs Officer of the Group. His main portfolio includes overseeing all legal, secretarial and public relations matters, investor relations and searching for and screening of potential M&A opportunities. Mr Yu holds a Bachelor of Business Administration degree from the University of Singapore. He was the Singapore Honorary Consul General in Papua New Guinea from 1988 to 1992 and Honorary Consul of the Republic of the Fiji Islands in Singapore from 2006 to 2009.

## LIM JIT YAW, JEREMY

Lim Jit Yaw, Jeremy is an Executive Director of the Group since 2002. He was appointed Chief Operating Officer (COO) in 2011 and promoted to Chief Executive Officer of Cortina Watch Pte Ltd in 2021. Mr Lim was further appointed as the Group COO in June 2022. He takes lead in the overall business objectives devising policies to bringing visions to reality. He continues to oversee the business operations; which includes retail outlets in the region. Mr Lim graduated from Edith Cowan University, Australia with a Bachelor of Business majoring in Accounting and Finance. He continued to pursue his major after graduation as an audit senior at KPMG Singapore from 1997 to 2000. In April 2012, Mr Lim was nominated as the President of Singapore Clock and Watch Trade Association. He was appointed as a council member of the Singapore Chinese Chamber of Commerce and Industry in 2019 and took on the appointment as Vice-Chairman for External Relations Committee in 2022.

## CHIN SEK PENG, MICHAEL

Michael Chin is the Executive Chairman of PKF-CAP group of entities including PKF-CAP LLP, a firm of chartered accountants based in Singapore. He is also the Head of risk consulting in PKF Singapore and was a Board member of PKF International Asia Pacific region and the Chairman of the ASEAN sub-region. He is also the co-founding Director of PKF-CAP Risk Consulting Pte Ltd, a company engaged in the provision of internal audit and risk management services.

Michael started his audit training in London. After qualifying as a chartered accountant, he joined legacy Price Waterhouse and worked in UK, Europe and Singapore from 1983 to 1994. In 1994, he joined the Institute of Singapore Chartered Accountants ("ISCA") as the first Practice Review Director, heading, running and regulating the compliance of work standards of all audit practices in Singapore. In 1999, Michael joined legacy Arthur Andersen as a partner in its Assurance and Business Advisory division and in 2002 he left the firm to set up his own audit and consultancy practices with other partners.

He holds a Bachelor of Arts (Honours) degree in Accounting and Finance from Lancaster University in the United Kingdom and is a Singapore public accountant, Fellow (practising) Chartered Accountant of Singapore and a Fellow Member of the Institute of Chartered Accountants in England and Wales. He was formerly a Council member of ISCA as well as the Chairman of The Public Accounting Practice Committee.

Michael serves as Independent Director mainly in the capacity as Audit Committee Chairman to two public companies listed on the Singapore Exchange and is a member of the Institute of Internal Auditors, Singapore and a member of the Singapore Institute of Directors.

#### **LAU PING SUM, PEARCE**

Lau Ping Sum, Pearce was appointed Independent Director since 2002. He has held management positions in both the public and the private sectors. Mr Lau was the Member of Parliament for Yio Chu Kang and the Ang Mo Kio GRC from 1980 to 1996. He is a director of several publicly listed companies. Mr Lau holds a Bachelor of Economics from the Australian National University and a Diploma in Business Administration from the then University of Singapore. He is Adjunct Professor and Chairman of the advisory committee on Translation and Interpretation of the Singapore University of Social Sciences (SUSS) and a member of the Institute of Directors.

#### **FOO SEE JIN, MICHAEL**

Foo See Jin, Michael is one of the founders of our Group and is a Non-Executive Director of our Group since 1972. He was designated as Independent Director since November 2013. He has been in the food and beverage industry for over 37 years.

#### **CHUANG KENG CHIEW**

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

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

#### **TAN SIEW SAN**

Ms Tan Siew San was appointed Independent Director in 2021. She retired from the Singapore civil service in 2019 after a 45-year career. She was Ambassador Extraordinary and Plenipotentiary to the Kingdom of Thailand from 2012 to 2019. Her previous leadership appointments in the Singapore civil service included those of Deputy Secretary (Asia-Pacific) in the Ministry of Foreign Affairs and Deputy Secretary (Policy) in the Ministry of Defence. For her contributions, Ms Tan was awarded the Public Administration Medal (Gold) in 1999 and the Public Administration Medal (Silver) in 1990.

Ms Tan holds a Master of Arts (Political Science) degree from the University of Wisconsin-Madison, USA, which she obtained on a Fulbright-Hays scholarship, and a Bachelor of Social Science (Honours) degree from the University of Singapore. She is also on the Board of Directors of other listed companies in Singapore and Thailand.

# Director's Information

Information on Directors to be appointed/re-elected at the forthcoming annual general meeting as set out in Appendix 7.4.1 pursuant to Rule 720(6) of the SGX-ST Listing Manual.

Lim Keen Ban	
<b>Date of appointment</b>	15-Dec-1972
<b>Date of last re-appointment (if applicable)</b>	26-Jul-2019
<b>Age</b>	87
<b>Country of principal residence</b>	Singapore
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	The re-election of Mr Lim as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim's contributions, qualifications, expertise and past experiences.
<b>Whether re-election is executive, and if so, the area of responsibility</b>	Executive. Mr Lim will be responsible of business strategy formulation and monitor management performance.
<b>Job title (e.g. Lead ID, AC Chairman, AC Member etc)</b>	- Executive Chairman of Cortina's Group (including Sincere Watch Limited and its subsidiaries)
<b>Professional qualifications</b>	None
<b>Working experience and occupation(s) during the past 10 years</b>	<p>He is one of the founders of Cortina's group and held the position of Chief Executive Officer ("CEO") since 1972. On 1 June 2021, he relinquished his position as CEO and continues as Executive Chairman of Cortina's Group.</p> <p>He has over 60 years of experience in the business of watch retailing and distribution.</p> <p>He was the President of the Singapore Clock &amp; Watch Trade Association from 2002 to 2008.</p>

Lim Jit Yaw	Chuang Keng Chiew	Tan Siew San
27-Jun-2002	24-May-2019	1-Sep-2021
3-Sep-2020	26-Jul-2019	NA
51	65	70
Singapore	Singapore	Singapore
The re-election of Mr Lim as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim's contributions, qualifications, expertise and past experiences.	The re-election of Mr Chuang as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Chuang's contributions, qualifications, expertise and past experiences.	The election of Ms Tan as a Director of the Company at the AGM 2022 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Ms Tan's contributions, qualifications, expertise and past experiences.
Executive. He oversees the retail operations of all the business units of the Group.	Non-executive.	Non-executive.
<ul style="list-style-type: none"> <li>- Executive Director and Chief Operating Officer of Cortina Holdings Limited</li> <li>- Chief Executive Officer of Cortina Watch Pte Ltd</li> <li>- Bachelor of Business majoring in Accounting and Finance – Edith Cowan University, Australia</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Chairman of Nominating Committee</li> <li>- Member of Remuneration Committee</li> <li>- Member of Audit Committee</li> <li>- LL.B. (Honours)</li> <li>- Advocate &amp; Solicitor – practising lawyer since 1998</li> <li>- Volunteers at the The Law Society of Singapore and SILE</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Member of Nominating Committee</li> <li>- Member of Audit Committee</li> <li>- Master of Arts (Political Science)</li> <li>- University of Wisconsin-Madison (Fulbright Grant)-Bachelor of Social Science, 2nd Class Upper Honours (Political Science) - University of Singapore</li> </ul>
<p>He is an Executive Director of Cortina's Group since 2022. On 1 June 2021, he was promoted to Chief Executive Officer of Cortina Watch Pte Ltd. On 1 June 2022, he was further appointed as Chief Operating Officer (“COO”) of Cortina Holdings Limited.</p> <p>As Executive Director and COO of the Company and CEO of Cortina Watch Pte Ltd, he oversees the retail operations of all the business units of the Group.</p> <p>He has over 20 years of experience and know-how of the watch retail and distribution industry.</p> <p>He has been the President of the Singapore Clock and Watch Trade Association since April 2012.</p> <p>He was appointed as the Vice-Chairman for External Relations Committee of the Singapore Chinese Chamber of Commerce &amp; Industry (SCCCI) 61<sup>th</sup> Council in 2022 after 3 years as council member of the 60<sup>th</sup> Council.</p>	<p>He was a Director of Advent Law Corporation from 1 November 2003 to 31 December 2014. He was appointed as a Consultant in Advent Law Corporation since 1 January 2015 and remains as a shareholder of the firm.</p> <p>He is active in the community at large. Currently he volunteers at Punggol North on a weekly basis and runs the legal clinic at Punggol 21 CC on a monthly basis. He is also the Secretary of Singapore Hainan Society and Advisor to the Singapore Chong Clan Association.</p> <p>Past positions held in the community including President of the Singapore Chong Clan Association, Treasurer and Vice President of Hainan Business Club, and Assistant Secretary of Hainan Hwee Kuan.</p>	<p>She is the Ambassador Extraordinary and Plenipotentiary of the Republic of Singapore to the Kingdom of Thailand from 2012 to 2019.</p> <p>She also worked as Deputy Secretary (Asia Pacific) in the Ministry of Foreign Affairs, Singapore from 2006 to 2012.</p>

# Director's Information

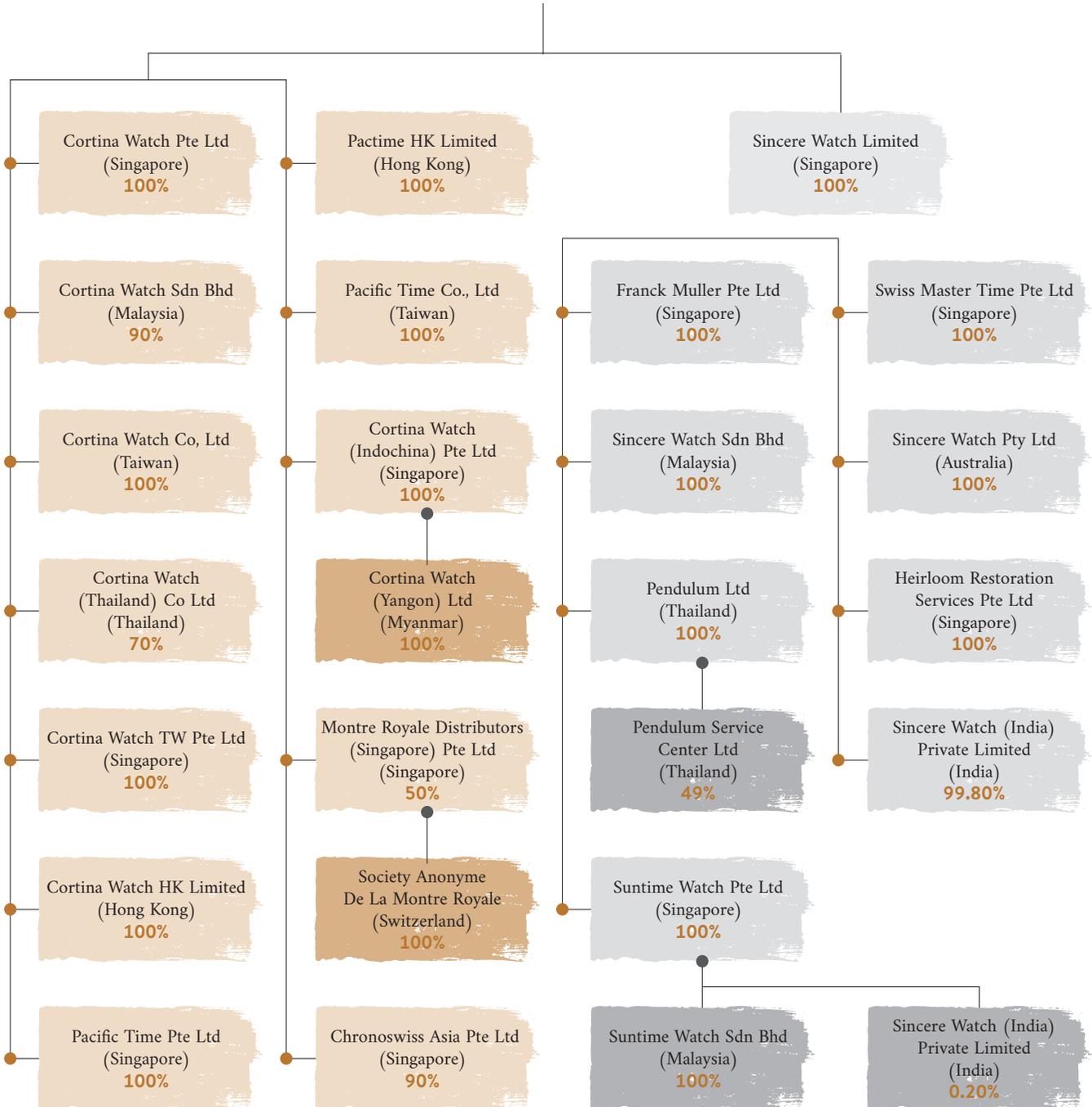
<b>Lim Keen Ban</b>	
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	Deemed interest of 70,861,425 shares of Cortina Holdings Limited.
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries</b>	<ul style="list-style-type: none"> <li>- Spouse of Mdm Chia Nyok Song@ Cheah Yoke Heng</li> <li>- Father of Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian</li> </ul>
<b>Conflict of interest (including any competing business)</b>	None
<b>Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))</b>	Yes
<b>Other Principal Commitments* including Directorship</b>	
<i>(*Includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.)</i>	
- Past (for the last 5 years)	None
- Present	Director of: <ul style="list-style-type: none"> <li>- Majority of the local and foreign subsidiaries of Cortina Holdings Limited</li> <li>- Ming Yaw Pte Ltd</li> <li>- Lim Keen Ban Holdings Pte Ltd</li> </ul>
<b>Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual</b>	Mr Lim's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

Lim Jit Yaw	Chuang Keng Chiew	Tan Siew San
Deemed interest of 70,861,425 shares of Cortina Holdings Limited.	Direct interest of 7,000 shares of Cortina Holdings Limited.	None
- Son of Mr Lim Keen Ban and Mdm Chia Nyok Song@ Cheah Yoke Heng - Brother of Mr Lim Jit Ming and Ms Lim Yin Chian	None	None
None	None	None
Yes	Yes	Yes
None	- Director of Advent Law Corporation	- Director of DOD Biotech Public Company Limited
Director of: - Majority of the local and foreign subsidiaries of Cortina Holdings Limited - Ming Yaw Pte Ltd	None	Director of: - Hong Leong Finance Limited - Triton Holding Public Company - Global Education Technology and Services Private Limited - Clarity the Word Factory Private Limited
Mr Lim's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Chuang's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Ms Tan's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

# Group Structure

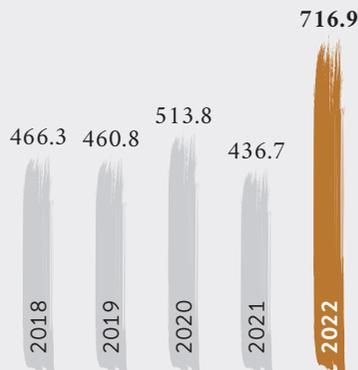


## Cortina Holdings Limited

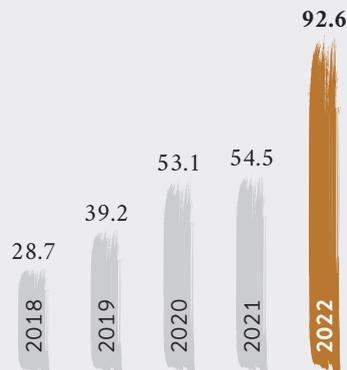


# Financial Highlights

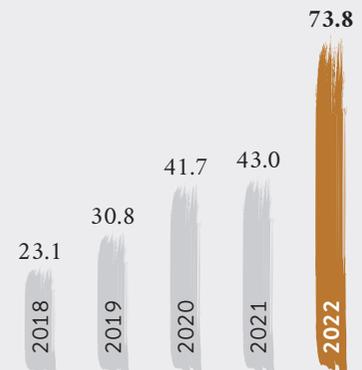
## TURNOVER (S\$'M)



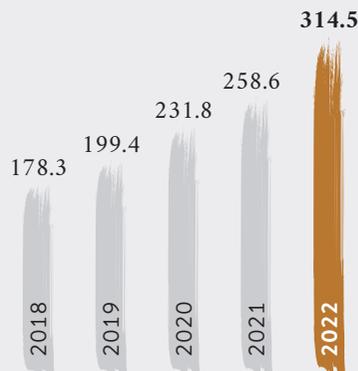
## PROFIT BEFORE TAX (S\$'M)



## PROFIT AFTER TAX (S\$'M)



## SHAREHOLDERS' EQUITY (S\$'M)

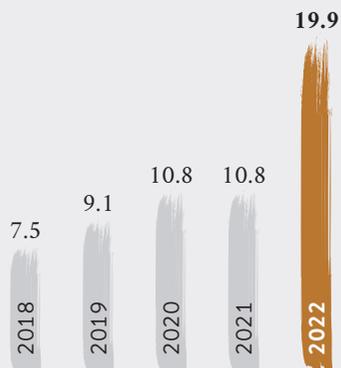


**41.5¢**  
BASIC EARNINGS  
PER SHARE

**190.0¢**  
NET ASSETS  
PER SHARE

FY2018 FY2019 FY2020 FY2021 FY2022

## DIVIDEND (NET)\* (S\$'M)



### S\$ Million

Turnover	466.3	460.8	513.8	436.7	<b>716.9</b>
Profit before Tax	28.7	39.2	53.1	54.5	<b>92.6</b>
Profit after Tax	23.1	30.8	41.7	43.0	<b>73.8</b>
Dividend (Net)*	7.5	9.1	10.8	10.8	<b>19.9</b>
Shareholders' Equity	178.3	199.4	231.8	258.6	<b>314.5</b>

### Cents

Basic Earnings Per Share	13.5	17.5	23.7	24.0	<b>41.5</b>
Net Assets Per Share	107.7	120.4	140.0	156.2	<b>190.0</b>



# Sustainability Report

## CONTENTS

21	Board Statement
22	About This Report
22	About Cortina Holdings
24	Stakeholders Engagement
25	Materiality Assessment
25	Economic Performance
25	Anti-Corruption and Whistle-Blowing Policy
26	Environment
26	Employment
29	Community
29	Customer Privacy
30	GRI Content Index



Cortina Watch Boutique  
at Paragon Shopping Centre,  
Singapore

## BOARD STATEMENT

Dear Stakeholders,

This year, Cortina Holdings Limited (“the Group” or “Cortina”) commemorates 50 years as The Curator of Time. Over half a century through cyclical uptrends and downturns, we have earned the trust of our customers, partners and stakeholders – upholding our commitment to them and the standards they have come to expect of us. At the heart of our resilience lies the adaptability, dedication and foresight of our people.

As the world battled the COVID-19 pandemic in 2021, these values were once again put to the test. Amidst the uncertain climate, we persisted in embracing people, the planet and the bottom line to secure greater sustainability for our business, our clients and our community.

### Championing Sustainability Amidst Uncertainty

Health and safety continued to be our top priority as the global pandemic entered its second year. Across the Group, we adhered to all restrictions and regulations issued by local governments to safeguard the well-being of our customers and staff. While these regulations have curtailed footfall at malls, the global luxury watch industry remains vibrant. This, together with operational synergies from the acquisition of Sincere Watch Ltd (“Sincere Watch”) in FY2021 and our efforts in establishing long-term relationships with our customers that transcend multiple generations, has contributed to the stability of our business.

With COVID-19 restrictions in place, our key focus during the year lay in engaging our customers in more intimate arrangements. Through personalised in-store and digital experiences, our sales team proactively connected with clients, bringing exquisite brands and collections to their attention.

Internally, we worked to augment our people and team. With an emphasis on gender equality, we enhanced our board diversity and welcomed our new female director, Tan Siew San, on board as an Independent Director. At the same time, we maintained a balanced representation among our staff and management team. We supported our people in realising their potential and actively invested in their development. Throughout the year, our sales staff attended a series of training courses – from dressing and grooming to sales and customer service – aimed at honing their soft skills and service delivery. In March 2022, we completed a revamp of our headquarters to provide our head office staff with a more conducive work environment, complete with a sizable pantry fitted to facilitate discussions.

In caring for the environment, we took steps to become more eco-friendly in areas within our control. The financial year saw us place S\$10.0 million with HSBC’s Green Deposit in support of eco-friendly projects. We also incorporated paper materials with Forest Stewardship Council (FSC) certification in our packaging, thus guaranteeing that the paper-based products used in all Cortina-branded bags are sustainably sourced. Upholding our commitment to greater energy efficiency, we successfully reduced electricity usage at our stores and offices, without impacting customer experience, through the use of LED lights.

# Sustainability Report

## The Road Ahead

Since inception, we have stayed true to our belief in building our business sustainably, while preserving our stakeholders' interests. Our push for greater sustainability is anchored in six pillars – our economic performance, anti-corruption, the environment, our employees, our community and customer privacy. Cortina's Board of Directors ("the Board") are responsible for the management and governance of the Group's sustainability direction. In guiding our sustainability practices and goals, the Board ensures these are aligned with our overall strategic direction to deliver ethically, socially and environmentally sustainable business activities.

Throughout the last five decades, our staff, partners and customers have been the cornerstone of our success, having stood by us through challenging times. For this, we are deeply thankful. As we embark on the next 50 years, we will redouble our efforts to realise greater value and secure a sustainable future for all.

## ABOUT THIS REPORT

This Sustainability Report covers the Group's strategy, approach and sustainability performance from 1 April 2021 to 31 March 2022. It details our financial results, environmental, social and governance ("ESG") performance and the initiatives that affected the material ESG factors. Outsourced activities, joint ventures and suppliers are not included in this report. The previous Sustainability Report was published together with the Group's Annual Report in August 2021.

Prepared in accordance with Rules 711A and 711B of the Singapore Exchange ("SGX") and SGX Sustainability Reporting Guide, the report also references the Global Reporting Initiative ("GRI") Standards: Core Option and adopted the GRI reporting principles for quality reporting.

The accuracy of the information presented in this report was verified by Cortina's internal process. Independent assurance was not obtained for the ESG and economic performance data.

We welcome feedback or queries on our sustainability performance. These can be submitted via [www.cortina.com.sg/get-in-touch](http://www.cortina.com.sg/get-in-touch).

## ABOUT CORTINA HOLDINGS

### Company Profile

Incorporated and headquartered in Singapore, Cortina Holdings was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard on 29 July 2002. Since inception in 1972, our business has been anchored in the retail and distribution of quality, luxury timepieces and accessories.

Following the acquisition of Sincere Watch in 2021, we enlarged our brand portfolio and grew our footprint to include more than 40 retail boutiques in major cities across Singapore, Malaysia, Thailand Indonesia, Hong Kong, Taiwan and Australia. Today, we are the exclusive distributor of Franck Muller in 13 countries across Asia Pacific, and host a collection of international brands, including Bell & Ross, Bvlgari, Cartier, Chopard, H Moser, Parmigiani, Longines, MontBlanc, Omega, Patek Philippe, Rolex, TAG Heuer and Greuber Forsey, among others.

As part of our ongoing growth strategy, we emphasise augmenting our brand presence and capturing new opportunities in countries and cities with high growth potential. Delivering exacting service standards, our team of 584 dedicated employees advance our quest to be the leading retailer and distributor of luxury watches, bringing quality timepieces to aficionados across Asia Pacific and beyond.



### Mission

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



### Vision

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

### Membership of Associations

Cortina's board members represent the Group at various industry bodies and public organisations. Our Executive Chairman, Mr Anthony Lim, was an active member of the Singapore Clock & Watch Trade Association (SCWTA) and was its President from 2002 to 2008. Meanwhile, Mr Jeremy Lim, the Group's Executive Director, has helmed SCWTA as President since April 2012 and is the Vice-Chairman for External Relations Committee of the Singapore Chinese Chamber of Commerce & Industry.

### Supply Chain Management

We value ethical conduct, human rights, workplace standards and the environment, and partner suppliers who share our goals and commitments. Recognising the crucial role they play in our success, we work closely with them and build strong relationships for the long run.

In ensuring the quality of their service and offerings, all suppliers undergo a stringent pre-selection assessment. We also seek out environmentally-friendly logistics providers with the aim of lowering greenhouse gas emissions.

Our efforts in forging long-term partnerships bore fruit during the COVID-19 pandemic. As global supply chains were disrupted, we worked hand in glove with our suppliers to minimise the impact on our operations and secure optimal inventory levels, thus ensuring our business and customers were unaffected. At the same time, we proactively reviewed our business continuity plans and made adjustments where appropriate in tandem with the fluid situation. On the ground, we continued to protect our customers' interests by implementing safety measures and engaging in responsible sales and marketing practices in both our onsite and digital interactions.

2021 saw many watch makers resume production, with the year proving to be a bumper one for Swiss watch exports. As the global luxury watch industry returns to normal, we will continue to work closely with our suppliers to deliver quality timepieces to our customers.

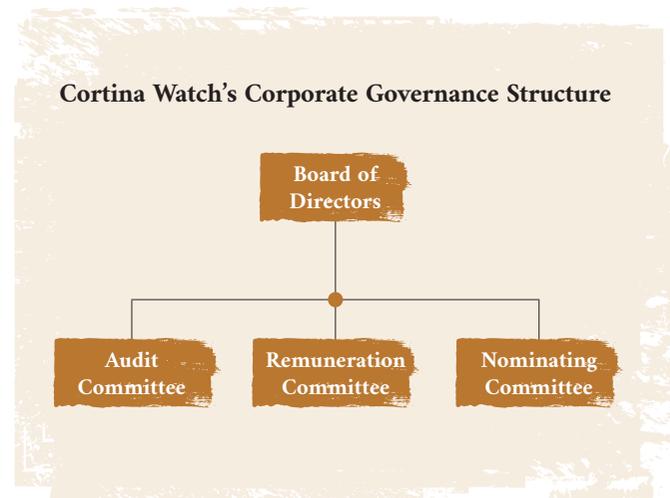
### Sustainability Governance

Sound corporate governance is the cornerstone of Cortina's business sustainability. To this end, we uphold high standards of governance, accountability, professionalism and integrity throughout our operations.

Helping the Group's sustainability efforts is our senior management team. Recognising the importance of driving sustainability governance, the Group has established a robust framework to sync our sustainability strategy with our business objectives and implement related initiatives. The Board is kept updated on our sustainability strategies by our senior management and oversees their development.

As part of this strategy, we continued to ensure our Board retains a well-balanced representation of professional competencies, experiences and skills. In 2021, we introduced our new female director who brings to the table a wealth of experience in the commercial arena of both Singapore and Thailand.

For more information, please refer to the Corporate Governance section on page 33 of the Annual Report.



# Sustainability Report

## STAKEHOLDER ENGAGEMENT

We remain steadfast in our commitment to generate long-term sustainable value for our stakeholders. Recognising their impact on our success, we evaluate all feedback received in conversations with our stakeholders at diverse events. Highlighted in the table below are all engagement activities held during the year with our key stakeholders, who have been identified and prioritised according to their dependence and influence on Cortina's business.

Stakeholder Group	Engagement Activities	Stakeholder Expectations	Frequency
Customers	<ul style="list-style-type: none"> <li>Refurbishing and upgrading newly-opened and existing boutiques to heighten customer experience</li> <li>Engaging customers through appointments, onsite events and digital campaigns that are personalised for each individual to enhance conversations and interactions</li> </ul>	<ul style="list-style-type: none"> <li>Exceptional shopping experience with timepieces of the highest quality</li> </ul>	Ongoing
Suppliers	<ul style="list-style-type: none"> <li>Maintaining business dealings with suppliers who meet Cortina's high standards in areas such as ethical conduct and workplace standards</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with terms and conditions of purchasing policies and procedures</li> <li>Maintain ethical standards</li> </ul>	Ongoing
Employees	<ul style="list-style-type: none"> <li>Providing a conducive environment for work and implementing staff training</li> <li>Implementing Safe Management Measures at the workplace (e.g. providing masks, sanitisers and UV-C disinfectant lights, arranging split team working schedule, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Staff rights and welfare</li> <li>Personal development</li> <li>Good working environment</li> </ul>	Ongoing
Shareholders	<ul style="list-style-type: none"> <li>Releasing unaudited financial statements on a half-yearly basis, and corporate announcements in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Profitability, transparency, fair purchasing practices and timely reporting of matters requiring disclosure to shareholders</li> </ul>	Half-yearly Or As per SGX Guideline
Financial Institutions	<ul style="list-style-type: none"> <li>Maintaining good relationships with bankers</li> </ul>	<ul style="list-style-type: none"> <li>Transparency</li> <li>Timely reporting</li> </ul>	Ongoing
Business Partners	<ul style="list-style-type: none"> <li>Collaborated with business partners to cultivate collectors' interest in the art of watchmaking</li> </ul>	<ul style="list-style-type: none"> <li>Partnership for opportunities and growth</li> </ul>	Ongoing
Government and Regulators	<ul style="list-style-type: none"> <li>Maintaining good working relationships with regulators</li> <li>Disclosing pertinent information in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Environmentally-friendly business approach</li> <li>Compliance with regulations</li> <li>Timely reporting and resolution of issues</li> </ul>	Ongoing

## MATERIALITY ASSESSMENT

As we manage sustainability impact, risks and opportunities of significance, we also seek to impel enduring value for all our stakeholders. We leverage a rigorous internal process to identify, prioritise and validate the environmental, social, governance and economic issues of concern to Cortina. The material matters for FY2022 are as follows.



### Economic

- Economic Performance
- Anti-Corruption and Whistle-Blowing Policy



### Social

- Employment
- Local Communities
- Customer Privacy



### Environmental

- Energy

These matters are reviewed regularly to ensure their continued relevance and significance to Cortina.

## ECONOMIC PERFORMANCE

At Cortina, we strive to achieve a sustainable growth trajectory marked by consistency and progress. During the financial year, Group revenue totalled S\$716.9 million, signalling a year-on-year increase of 64.1% against FY2021's S\$436.7 million. Net profit grew in tandem to S\$73.8 million from S\$43.0 million the year before. Gross profit margin reached 32.9%, compared to 29.1% in FY2021, and we recorded earnings per share of 41.5 cents for the year, up from 24.0 cents in the previous year.

### FY2022 REVENUE

**S\$716.9m**

S\$436.7m in FY2021

### FY2022 EARNINGS PER SHARE

**41.5 cents**

24.0 cents in FY2021

### FY2022 NET PROFIT

**S\$73.8m**

S\$43.0m in FY2021

### FY 2022 GROSS PROFIT MARGIN

**32.9%**

29.1% in FY2021

For more information on our financial performance, please refer to Cortina's Annual Report 2022.

## ANTI-CORRUPTION AND WHISTLE-BLOWING POLICY

We remain firm in our stand against bribery and corruption, guided by a stringent policy and rigorous standards to stem dishonest and corrupt practices. All business functions within Cortina are schooled in our code of conduct and ethical business practices. As a Group, we uphold a zero-tolerance approach to all forms of corruption and conduct our business according to the laws, rules and regulations of the cities and countries we operate in.

Driving our anti-corruption stance is Cortina's whistle-blowing policy. Approved by the Board and implemented Group-wide, the policy embraces the highest standards of corporate governance and professionalism, and supports internal and external stakeholders in reporting malpractice and other irregularities within the Group. The administration of the framework is managed by the Audit Committee ("AC"), which also ensures the implementation of whistle-blowing procedures throughout the Group. In addition, the AC carries out independent investigations into complaints and directs the resulting course of action. All incidences of unlawful, unethical or fraudulent behaviour will be reported to the Executive Directors or Human Resource Departments and the AC Chairman.

All employees have access to and are made aware of our internal policies, procedures and controls ("IPPC"), which detail our anti-corruption and anti-money laundering measures. On the ground, outlet staff are required to clarify any doubts or submit queries about the IPPC via a dedicated form.

Our efforts in curtailing dishonest and corrupt practices have borne results. Throughout FY2022, our outlet employees adhered to the IPPC and Cortina received zero reports of bribery or unethical behaviour in marketing. We will persist in upholding good corporate governance practices to secure the sustainability of our business and operations.

# Sustainability Report

## ENVIRONMENT

As a responsible company, we acknowledge our duty to the safeguard the planet. While our ecological footprint remains comparatively small, we recognise that every effort to combat climate change is valuable.

We made a decisive move in FY2022 to support environmentally beneficial projects by channelling S\$10.0 million to HSBC's Green Deposit. Our contribution will finance green initiatives under the bank's portfolio, including green buildings, renewable energy and energy conservation.

Meanwhile, we actively work to conserve resources and optimise energy usage across our operations, while ensuring customer experience is not compromised. These efforts include improving energy efficiency at our retail boutiques and offices by using LED lights. At the same time, employees are kept mindful of the need to turn off lights and equipment when not in use. Together, these initiatives resulted in a year-on-year drop in the Group's energy usage.

During the year, we utilised FSC-certified material in Cortina-branded packaging. The move ensures that all paper-based products used in our bags come from responsibly-managed forests.

Looking ahead, we will press on in our energy-conservation initiatives and explore more ways to protect the environment.

## EMPLOYMENT

Our people are the heart of our operations, with each employee playing a vital role in securing the long-term success of the company. At Cortina, we strive to shape a conducive work environment and positive office culture, anchored in ethical labour practices, that rewards our employees for their contributions.

We see strength in diversity and value the wide-ranging perspectives that a diverse workforce brings to our team. As an equal opportunity employer, we adhere strictly to the

Group's employment policy to ensure transparency and fairness in hiring talents and developing their potential. Throughout the recruitment process, we focus on individuals with the relevant experience and capabilities to sharpen our competitive edge and grow our business footprint – regardless of their background, ethnicity, gender and age. Our senior management reviews the Group's employment policy for its continued relevance with our business practices, and ensures Cortina's employment practices are aligned with the laws and regulations of the countries that host our business.

Every member of our team receives a compensation package comprising competitive and equitable remuneration, benefits and welfare privileges. Under the Group's performance-based reward system, our employees undergo annual performance evaluations and are rewarded with increments, promotions and bonuses accordingly.

At Cortina, we are committed to supporting our employees' career aspirations and provide equal opportunities for training and development within the Group. In surrounding our people with training resources, we seek to imbue them with the skills needed to succeed in our industry. Amidst COVID-19 with many of our employees working from home, we identified online and onsite courses for our employees to hone their abilities in areas such as sales techniques, customer service and other soft skills. In FY2022, about 100 head office and boutique staff clocked a total of 800 and 7,800 training hours respectively.

Our employees' health and safety are of paramount importance. Throughout the pandemic, we sought to minimise the risk of infection by implementing safety measures as per the Ministry of Health's advisories at our offices and boutiques.

The Group housed a total staff strength of 584 employees as at 31 March 2022. Testament to our commitment to gender equality, this comprised 311 female and 273 male staff, while our management team is 50% female. We saw our staff turnover rate increase to 20% from 12% the year before. We will continue to explore ways to improve as a company and achieve a lower turnover rate.

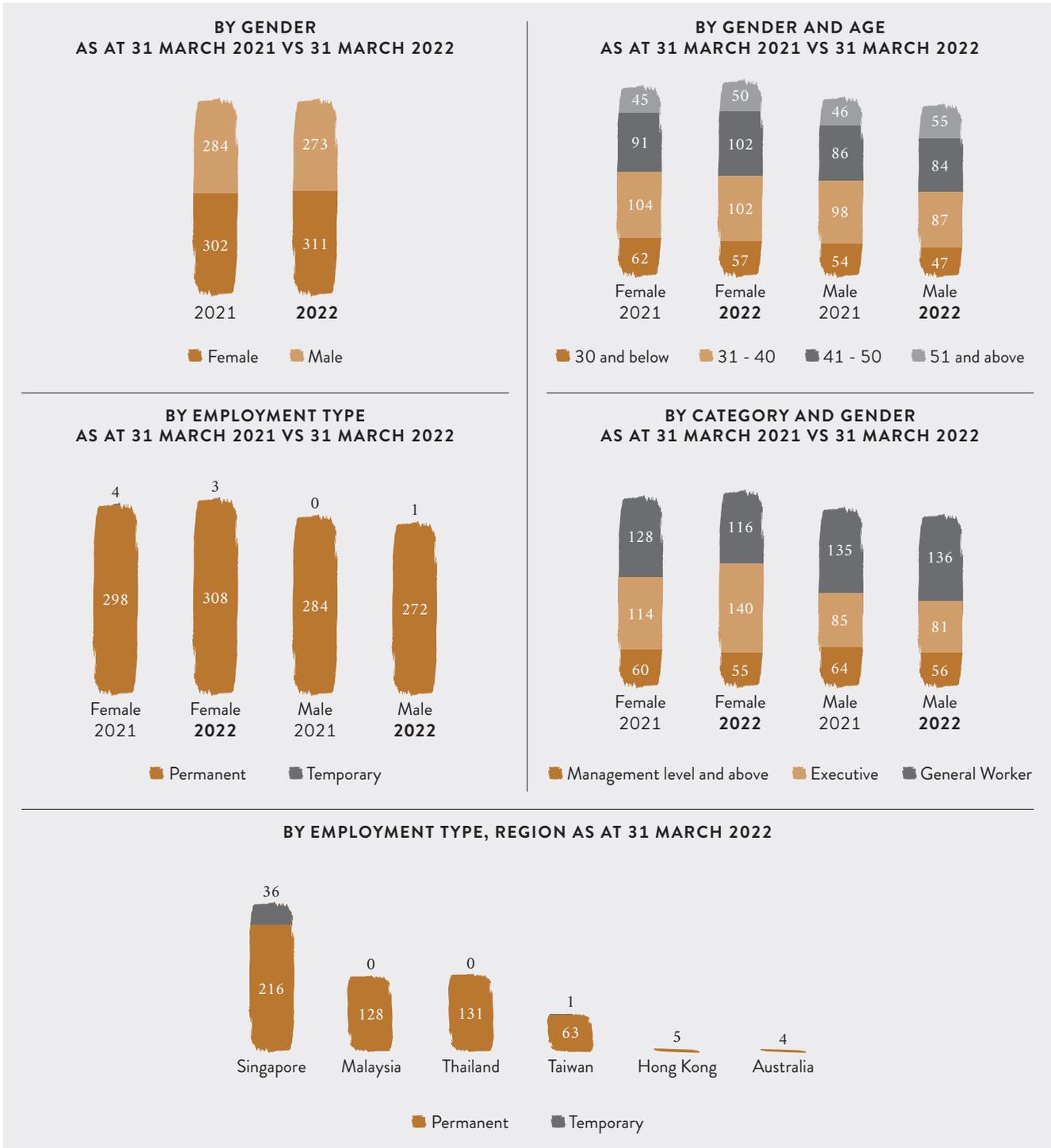


In line with our efforts to enhance our work environment, we completed a revamp of our office in March 2022. The new layout supports a clutter-free workplace that promotes productivity, while the application of colour psychology throughout the space inspires tranquillity and balance. Central to the upgrade are the refurbished pantry, lounge area and meeting rooms. Designed to host groups of various sizes, these serve as informal meeting zones, where our people can to relax, build bonds and explore ideas together.



# Sustainability Report

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



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## COMMUNITY

Our work as a responsible company extends to the communities that host our business. In creating a positive impact in FY2022, we sought to uplift the underprivileged and support arts and culture amidst the pandemic.

To commemorate five decades of operations and give back to the community, we launched the limited-edition Happy Hearts Cortina 50th Anniversary timepiece in March 2022. Featuring five diamonds signifying each decade and a red heart, the proceeds from the sale of all 50 pieces produced – amounting to \$200,000 – will be presented to the Singapore Heart Foundation in October 2022.

The year in review also saw us lend our support to two charity golf events – the Yellow Ribbon Fund Charity Golf 2021, to aid ex-offenders in rebuilding their lives, and Life Community Services Society's Golf for Life 2021. The funds raised from the latter event were channelled to help children from low-income families build resilience and achieve their potential.

Recognising the challenges many artistes faced as COVID-19 restrictions curtailed events, we also sought to keep theatre companies afloat by supporting The Rice Bowl 2021 organised by Wild Rice. Aimed at meeting diverse needs, we made financial contributions to a few organisations during the year.

We seek to inculcate the spirit of volunteering among our staff and encourage them to support causes close to their hearts. Alongside our employees, we will explore new ways to aid our community and bring sustainable value to all.

## CUSTOMER PRIVACY

We take stringent measures to ensure that the personal data of our customers, employees and stakeholders remains safe. All data of customers residing within and outside Singapore is collected in line with the Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore ("PDPA") and the General Data Protection Regulation ("GDPR") (EU) 2016/679 respectively.

Additionally, Cortina's Privacy Policy defines our efforts to safeguard and manage our customers' personal data. Specifically, it shapes our internal policies and procedures concerning how we handle and process personal data. The Privacy Policy is accessible via our website at [www.cortinawatch.com/en/privacy-policy](http://www.cortinawatch.com/en/privacy-policy).

During the year, in a testament to our vigilance, no breaches in customer privacy or loss of personal data were reported. We remain firmly committed to ensuring the security of our customers' personal data and regularly assess the Privacy Policy to ascertain its continued compliance with the latest practices, laws and regulations.

# Sustainability Report

## GRI CONTENT INDEX

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
<b>GENERAL DISCLOSURE</b>	
<b>Organizational Profile</b>	
102-1 Name of the organisation	21
102-2 Activities, brands, products, and services	22
102-3 Location of headquarters	22
102-4 Location of operations	22
102-5 Ownership and legal form	22
102-6 Markets served	22
102-7 Scale of the organisation	23
102-8 Information on employees and other workers	26-28
102-9 Supply chain	23
102-10 Significant changes to the organisation and its supply chain	23
102-11 Precautionary principle or approach	22
102-12 External initiatives	29
102-13 Membership of associations	23
<b>Strategy</b>	
102-14 Statement from senior decision maker	21
<b>Ethics and Integrity</b>	
102-16 Values, principles, standards, and norms of behaviour	22
<b>Governance</b>	
102-18 Governance structure	23
<b>Stakeholder Engagement</b>	
102-40 List of stakeholder groups	
102-41 Collective bargaining agreements	
102-42 Identifying and selecting stakeholders	24
102-43 Approach to stakeholder engagement	
102-44 Key topics and concerns raised	
<b>Reporting Practice</b>	
102-45 Entities included in the consolidated financial statements	18
102-46 Defining report content and topic boundaries	22
102-47 List of material topics	25
102-48 Restatements of information	22
102-49 Changes in reporting	22
102-50 Reporting period	22
102-51 Date of most recent report	11 August 2021
102-52 Reporting cycle	22
102-53 Contact point for questions regarding the report	22
102-54 Claims of reporting in accordance with the GRI Standards	22
102-55 GRI content index	30-31
102-56 External assurance	22

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
<b>MATERIAL TOPICS</b>	
<b>GRI 201: Economic Performance</b>	
103-1 Explanation of the material topic and its boundaries	
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
201-1 Direct Economic value generated and distributed	25
201-2 Financial implications and other risk and opportunities due to climate change	
201-3 Defined benefit plan obligations and other retirement plans	
201-4 Financial assistance received from government	
<b>GRI 205: Anti-Corruption</b>	
103-1 Explanation of the material topic and its boundaries	
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
205-1 Operations assessed for risks related to corruption	25
205-2 Communication and training about anti-corruption policies and procedures	
205-3 Confirmed incidents of corruption and actions taken	
<b>GRI 302: Energy</b>	
103-1 Explanation of the material topic and its boundaries	
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
302-1 Energy consumption within the organization	26
302-2 Energy consumption outside of the organization	
302-3 Energy intensity	
302-4 Reduction of energy consumption	
302-5 Reductions in energy requirements of products and services	
<b>GRI 401: Employment</b>	
103-1 Explanation of the material topic and its boundaries	
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
401-1 New employee hires and employee turnover	26-28
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3 Parental leave	
<b>GRI 413: Local Communities</b>	
103-1 Explanation of the material topic and its boundaries	
103-2 The management approach and its components	
103-3 Evaluation of the management approach	29
413-1 Operations with local community engagement, impact assessments, and development programs	
413-2 Operations with significant actual and potential negative impacts on local communities	
<b>GRI 418: Customer Privacy</b>	
103-1 Explanation of the material topic and its boundaries	
103-2 The management approach and its components	29
103-3 Evaluation of the management approach	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	



FRANCK MULLER  
GENEVE

FRANCK MULLER  
GENEVE

VANGUARD  
RACING  
*Master of complications*

HTI

# Corporate Governance Report

Cortina Holdings Limited (“CHL”) is committed to ensuring high standards of corporate governance and this report outlines CHL’s corporate governance practices with reference to the principles and guidelines of the Singapore Code of Corporate Governance 2018 (the “Code”). CHL has complied in all material aspects with the principles and guidelines of the Code, and where there are deviations from the Code, appropriate explanations are provided.

## BOARD MATTERS

### Board’s Conduct of its Affairs

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

#### Provision 1.1

##### Board’s Role

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

The role of the Board is to:

- (a) provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for CHL to meet its goals and objectives;
- (b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
- (c) review Management performance;
- (d) instil an ethical corporate culture and ensure that CHL’s values, standards, policies and practices are consistent with the culture;
- (e) ensure transparency and accountability to key stakeholder groups; and

The Board also considers sustainability issues of its business strategy. In accordance with the listing requirements, CHL has included its sustainability report as part of this annual report, and also made it available on SGXNET and CHL’s website at [www.cortina.com.sg](http://www.cortina.com.sg).

#### Provision 1.2

##### Directors’ Duties and Responsibilities

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



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# Corporate Governance Report

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

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

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

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

## ***Orientation, briefings, updates and trainings provided for Directors***

CHL has in place an orientation process. A new incoming independent director will be issued a formal letter of appointment setting out his duties and obligations.

Incoming directors joining the Board will be briefed by the NC on their directors’ duties and obligations and will be introduced to the Group’s business and governance practice, in particular CHL’s policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving CHL, prohibition on dealings in CHL’s securities and restrictions on the disclosure of price sensitive and trade sensitive information.

The incoming director will meet up with the senior management and the Company Secretary to familiarize himself with their roles, organization structure and business practices. This will enable him to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary.

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

Ms Tan Siew San was appointed as Director on 1 September 2021 and has current directorships in other listed companies prior to joining the Board. She is not a first-time director of a company listed on the Singapore Exchange. She has undergone CHL’s orientation process for an incoming Director.

The Directors are continually and regularly updated on the Group’s business and governance practices, changes to the accounting standards and regulatory updates, the Code of Corporate Governance and Listing Manual by the Company Secretary and the auditors. The Directors are also encouraged to be members of the Singapore Institute of Directors (SID) and for them to receive updates and training from SID. Briefings and updates provided for directors in FY2022 included the following:

- At every AC meeting, the external auditors briefed the AC members on developments in accounting and auditing standards whenever there are changes or there is a need to update such standards;
  - The Board was briefed on the compliance with the Listing Rules and the Code by the Company Secretary;
  - The CEO updated the Board at each meeting on business and strategic developments;
  - The Directors also attended briefings, courses and seminars where appropriate to update themselves on the latest developments in the areas of financial reporting, corporate governance and any other areas relevant to directors; and
  - Apart from discussion at Board meetings, the Directors were also provided with timely updates on developments within the Group on a regular basis, mainly through emails. Two-way communication between the Directors and the management was maintained throughout the year.
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**Provision 1.3****Matters Requiring Board Approval**

The Board has adopted internal guidelines governing matters that require the Board's approval. Matters specifically reserved for the Board's decision are:

- (a) matters involving a conflict of interest for a substantial shareholder or a director;
- (b) strategic policies of the Group;
- (c) annual budgets;
- (d) public release of periodic financial results;
- (e) material acquisitions and disposal of assets;
- (f) corporate or financial restructuring;
- (g) share issuances, interim dividends and other returns to shareholders; and
- (h) any investment or expenditure not in the ordinary course of business and where the transactions fall within Rule 1004 (b) to (d) of the Listing Manual.

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

The Board has formed Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The segments of this report under Principles 4 to 10 detail the activities of the NC, RC and AC respectively.

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

Name of director	Board appointments		Board Committees		
	Executive Director	Independent Director	AC	NC	RC
Lim Keen Ban	*		-	-	-
Lim Jit Ming	*		-	-	-
Yu Chuen Tek Victor <sup>3</sup>	*		-	-	-
Lim Jit Yaw	*		-	-	-
Chin Sek Peng, Michael		*	Chairman	Member	-
Lau Ping Sum, Pearce <sup>1</sup>		*	Member	Member	Chairman
Chuang Keng Chiew <sup>1</sup>		*	Member	Chairman	Member
Foo See Jin		*	-	-	Member
Tan Siew San <sup>2,3</sup>		*	Member	Member	-

1 W.e.f 1 July 2021, Mr Lau Ping Sum Pearce stepped down as Chairman of the NC and passed the chair to Mr Chuang Keng Chiew.

2 Ms Tan Siew San was appointed Director and AC member w.e.f 1 September 2021.

3 Ms Tan Siew San replaces Mr Yu Chuen Tek Victor as NC member w.e.f 1 April 2022.

# Corporate Governance Report

## Provision 1.5

### Meetings of Board and Board Committees

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2022.

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	2	4	1	2
Name of Directors	Number of meetings attended			
Lim Keen Ban	2	N.A.	N.A.	N.A.
Lim Jit Ming	2	N.A.	N.A.	N.A.
Yu Chuen Tek	2	N.A.	1	N.A.
Lim Jit Yaw	2	N.A.	N.A.	N.A.
Chin Sek Peng, Michael	2	4	1	N.A.
Lau Ping Sum, Pearce	2	4	1	2
Foo See Jin	2	N.A.	N.A.	2
Long Foo Pieng <sup>1</sup>	1	N.A.	N.A.	N.A.
Chuang Keng Chiew	2	4	1	2
Tan Siew San <sup>2</sup>	1	3	N.A.	N.A.

<sup>1</sup> Mr Long Foo Pieng resigned as Independent Director effective from 1 July 2021. There was only one Board meeting during his tenure of office.

<sup>2</sup> Ms Tan Siew San was appointed Director and AC member effective from 1 September 2021. There was only one Board meeting and AC meeting during her tenure of office.  
N.A. – Not applicable when the Director is not a member of the Board Committee.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. It takes into account the contributions by board members in other forms including periodic review, provision of guidance and advice on various matters relating to the Group. The Board also considers other listed board representations held by the Directors and ensures that Directors give sufficient time and attention to the affairs of the Group.

## Provision 1.6

### Board's Access to Information

All Directors are from time to time furnished with information concerning CHL to enable them to be fully cognizant of the decisions and actions of the Management. The Management provides the Board with regular management reports, which includes budgets, forecasts and quarterly management accounts. In respect of budgets, any material variances between the projections and actual results are explained to the Board. Management provides Directors with information whenever necessary and board papers are sent to Directors before each Board and Board Committee meeting. The Board has unrestricted access to CHL's records and information.

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

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**Provision 1.7****Board's Access to Management, Company Secretary and External Advisers**

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends all Board meetings and meetings of the Committees of CHL and ensures that relevant board and board committee procedures are followed and that applicable rules and regulations are complied with.

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

Each Director has the right to seek independent legal and other professional advices, at CHL's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

**BOARD COMPOSITION AND GUIDANCE**

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

**Provision 2.1****Independent Directors**

At the date of this report, the Board consists of nine Directors, four of whom are Executive Directors and five are independent Directors, one of them being the Lead Independent Director.

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

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

For the purpose of determining Directors' independence, on an annual basis, every Director has provided declaration of his independence which is reviewed by the NC and the Board. Except for the Executive Directors, all the other Directors on the Board are considered by the NC and the Board to be Independent Directors.

***Review of Independence of Directors***

Under the Listing Rules which took effect from 1 January 2022, an independent director will not be considered independent if he has served on the Board for an aggregate period of more than nine years unless prior to 1 January 2022 he has obtained approval from shareholders to continue in office under a two-tier voting by (a) all shareholders; and (b) shareholders, excluding the directors and the chief executive officer and their associates.

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# Corporate Governance Report

Mr Lau Ping Sum, Pearce, Mr Foo See Jin and Mr Chin Sek Peng Michael have served as Directors for more than nine years. Approval was given by shareholders under a two-tiered voting at CHL's annual general meeting held on 26 August 2021 for Mr Lau, Mr Foo and Mr Chin to continue in office as Independent Directors with effect from 1 January 2022 up to the conclusion of the third AGM of the Company following the approval given on 26 August 2021. Notwithstanding the approval from shareholders, the NC has continued to conduct a rigorous review of their independence.

Under CHL's framework for the rigorous review of the independence of Directors who have served for more than 9 years, each of Mr Lau, Mr Foo and Mr Chin had completed a rigorous self-assessment form to confirm his independence under stricter criteria over and above the guidelines set out in the Code. Under such rigorous reviews, each Independent Director had confirmed that neither he nor any of his immediate family has any relationship or business dealings with a controlling shareholder, director or key management personnel or their associates that would give rise to a conflict of interest or impairment of the Independent Director's independence. In addition, each of the directors had been subjected to a peer review by the other directors who completed a peer assessment form which critically assessed the demonstration of his independence and objectivity in the interest of CHL and shareholders.

The NC and the Board had reviewed the rigorous self-assessment forms completed by the above Directors and the peer review forms which critically assessed each of the Directors' independence.

The NC and the Board are of the view that Mr Lau, Mr Foo, Mr Chin have maintained their objectivity and independence at all times in the discharge of each of their duties as Director of CHL. They have each continually engaged the management and Executive Directors in candid discussion and provide constructive and impartial guidance to ensure due governance processes were in place such as the setting of accounting policies, the use of management judgement and estimates in subjective areas of accounting, establishment of a risk management framework and the setting of remuneration of Executive Directors, key management personnel and people related to the CEO.

In addition, the NC and the Board had reviewed rigorously whether Mr Foo's independence would in any way be compromised by his 4.3% shareholding in CHL and long years of service on the Board. Mr Foo's shareholding was acquired a long time ago and that his shareholdings have been viewed by the Board as positive, demonstrating his commitment to the interest of CHL.

Mr Lau and Mr Chin as NC members did not participate in the NC's and Board's deliberations on their respective independence. Mr Foo did not participate in the Board's deliberations of his independence.

## **Provisions 2.2 and 2.3**

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

At the date of this report, the Board comprises 9 directors of which 4 are Executive Directors and 5 are Non-Executive and Independent Directors.

In accordance with the requirement under the Listing Rules, the Independent Directors should make up at least one-third of the Board. The composition of the Board complies with this requirement.

In accordance with the Provision 2.2 of the Code, the Independent Directors make up the majority of the Board where the Chairman is not independent. In accordance with Provision 2.3 of the Code, the Non-Executive Directors (who are all Independent Directors) make up a majority of the Board.

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**Provision 2.4****Size and Diversity of the Board**

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

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

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

**Provision 2.5****Role of Non-Executive Directors**

During FY2022, the Non-Executive Directors (who are all Independent Directors) constructively challenged and helped develop both the Group's short-term and long-term business strategies. Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors and Executive Directors, as a full board.

During FY2022, the Non-Executive and Independent Directors led by the Lead Independent Directors communicated among themselves without the presence of Management as and when the need arose. Where appropriate, the Lead Independent Director had provided feedback to the Board and/or Chairman as appropriate.

**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

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

**Provisions 3.1 and 3.2****Chairman and CEO**

Mr Lim Keen Ban is the Chairman of the Board and Mr Lim Jit Ming is the CEO of CHL. While the roles of Chairman and CEO are held by two closely related family member, the responsibilities of Chairman and CEO are separate and distinct.

As the Chairman, Mr Lim Keen Ban's responsibilities include leading the Board in setting the agenda for board meetings and ensure that adequate time is available for discussion of all agenda items in particular strategic issues and promote good governance.

As CEO, Mr Lim Jit Ming has executive responsibilities for executing the strategies set by the Board, and for the Group's performance.

In assuming their roles and responsibilities, Mr Lim Keen Ban and Mr Lim Jit Ming consults with the Board, AC, NC and RC on major issues. Mr Chin Sek Peng, Michael has been CHL's Lead Independent Director since September 2007. Also, the Independent Directors make up more than half the Board. With these, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

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# Corporate Governance Report

## Provision 3.3

### Lead Independent Director

Mr Chin Sek Peng, Michael as Lead Independent Director is available as a channel of communication between shareholders and the Board or the Management.

The Independent Directors meet amongst themselves without the presence of the management and Executive Directors where necessary, and depending on the issues and follow-up actions identified, the Lead Independent Director will provide feedback to the Chairman after such meetings.

## BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

## Provisions 4.1 and 4.2

### Nominating Committee

CHL has established the NC which is guided by the terms of reference approved by the Board.

The NC comprises four members the majority of whom, including its Chairman, are independent Directors. The members of the NC are:

Mr Chuang Keng Chiew (Chairman with effect from 1 July 2021)	(Independent Director)
Mr Chin Sek Peng, Michael	(Lead Independent Director)
Mr Lau Ping Sum, Pearce (formerly Chairman up to 30 June 2021)	(Independent Director)
Ms Tan Siew San (member with effect from 1 April 2022)	(Independent Director)

With effect from 1 July 2021, Mr Lau Ping Sum, Pearce stepped down as Chairman of the NC and passed the chair to Mr Chuang Keng Chiew.

Ms Tan Siew San replaces Mr Yu Chuen Tek Victor as NC member w.e.f 1 April 2022.

## Guideline 4.2

### NC Responsibilities

The NC functions under the terms of reference which sets out its responsibilities as follows:

- To review board succession plans for directors and key management personnel, in particular the Chairman and the CEO;
- To recommend to the Board, the appointments and re-appointments of directors.
- To ensure that independent directors meet the SGX-ST's and the Code's guidelines and criteria;
- To ensure the effectiveness of the Board as a whole and the effectiveness and contribution of each director to the Board;
- To develop a process for evaluation of the performance of the Board, its committees and its directors, and undertake assessment of the effectiveness of the Board, Board Committees and Directors, including reviewing multiple board representations of directors where applicable;
- To review the training and professional development programmes for the Board; and
- To assess the independence of the Independent Directors.

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### ***Succession planning***

The NC has in place a board succession plan for Directors, in particular, the Executive Chairman and CEO. The NC has reviewed contingency arrangements for any unexpected incapacitation of the CEO or any of the top management personnel and is satisfied with the procedures in place for smooth transition.

#### **Provision 4.3**

#### **Process for the Selection, Appointment and Re-appointment of New Directors**

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board. The NC may recommend the appointment of a new director to fill a casual vacancy in the Board.

CHL has in place policy and procedures for the appointment of new directors to the Board, including a description on the search and nomination process. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include, among other things, the new director's ability to add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of CHL and the depth and breadth he could bring to Board discussions.

New Directors will be appointed by way of a Board resolution after the NC makes the necessary recommendation to the Board.

Article 91 of CHL's constitution requires one-third of the Board to retire from office at each annual general meeting ("AGM"). Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. They can be re-elected if eligible.

The NC has recommended to the Board the re-election of Mr Lim Keen Ban, Mr Lim Jit Yaw and Mr Chuang Keng Chiew who will retire by rotation pursuant to Article 91 of CHL's constitution at the forthcoming annual general meeting. Mr Chuang has abstained from the NC's deliberations on his re-election.

Article 97 of the CHL's constitution specifies that any director appointed by the Board during the year shall retire at the next AGM. Accordingly, Ms Tan Siew San who was appointed by the Board on 1 September 2021 shall retire pursuant to CHL's Constitution and the NC has recommended her re-election to the Board. Ms Tan has abstained from the NC's deliberations on her re-election.

The Board accepts the recommendations of the NC on the above re-elections. Mr Lim Keen Ban, Mr Lim Jit Yaw, Mr Chuang Keng Chiew and Ms Tan Siew San each abstained from the Board's deliberations on their respective re-elections.

In accordance with the Listing Rules, the information as set out in Appendix 7.4.1 of the Listing Manual in respect of Mr Lim Keen Ban, Mr Lim Jit Yaw, Mr Chuang Keng Chiew and Ms Tan Siew San are provided under the "Board of Directors" section of this Annual Report.

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# Corporate Governance Report

## **Provision 4.4**

### **Determining Directors' Independence**

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

## **Provision 4.5**

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

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

The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the Directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member cannot have more than six listed Board representations including CHL. All the directors currently do not sit on the boards of more than six listed companies.

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

## **BOARD PERFORMANCE**

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

### **Provisions 5.1 and 5.2**

#### **Conduct of Board Performance**

The NC, as set out in the terms of reference, is responsible for reviewing and evaluating the Board's performance. The evaluations are based on certain objective performance criteria which are decided by the NC.

#### **Performance Criteria for Board Evaluation**

The NC has with the Board's approval, implemented a process for annually assessing the effectiveness of the Board and the contribution by each individual director to the effectiveness of the Board on an annual basis.

The Board evaluation process involves having the Directors complete a performance evaluation form seeking their evaluation on various aspects of board performance, such as the Board's level of governance, effective delegation to the Board Committees, leadership and accountability. The Company Secretary compiles the directors' evaluation into a consolidated report. The report is discussed at the NC meeting and is also shared with the entire Board. The NC was also able to assess the Board Committees through their regular reports to the Board on their activities.

The NC had reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for FY2022 and was of the view that the performances of the Board Committees and the Board had been satisfactory.

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### ***Evaluation of Individual Directors***

Each individual Director conducts a self-assessment of his own performance as a Director. The individual Directors' self-assessment forms are submitted to the NC for its evaluation.

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his duties as a Director of CHL. If the Directors sits on a Board Committee, the NC will review the Director's performance and contribution to the effectiveness of the Board Committee. A member of the NC will abstain from the NC's review of his performance.

For FY2022, based on the assessment done on the contribution of individual directors, the NC was of the view that each Director had had allocated sufficient time and resources to the affairs of CHL and adequately carried out his duties as a Director and had contributed to the satisfactory performance of the Board and Board Committees.

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

## **REMUNERATION MATTERS**

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

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

### **Provisions 6.1 and 6.2**

#### **Remuneration Committee**

The RC comprises three Directors, all of whom are independent. The members of the RC are:

Mr Lau Ping Sum, Pearce (Chairman)	(Independent Director)
Mr Chuang Keng Chiew	(Independent Director)
Mr Foo See Jin	(Independent Director)

The RC recommends to the Board a framework of remuneration for the directors and executive officers, and reviews the specific remuneration package for each executive director and the CEO. The RC recommends to the Board where appropriate the terms of renewal of service agreements for directors who entered into service agreement with CHL.

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# Corporate Governance Report

The RC functions under the Terms of Reference which sets out its responsibilities as follows:

- To recommend to the Board a framework for remuneration for the Executive Directors and key management personnel.
- To review the specific remuneration packages for each Executive Director and key management personnel;
- To recommend the compensation framework for Non-Executive Directors to the Board and review the appropriateness of the compensation for Non-Executive Directors for approval at the AGM;
- To review the Group's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous;
- To review the remuneration of employees who are immediate family members of a director, CEO or substantial shareholder to ensure that the remuneration of each of such employees is commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her; and
- To review and recommend the engagement of remuneration consultant on the request of management or as it deems appropriate for CHL.

## **Provision 6.3**

### **Review of remuneration**

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

Each of the Executive Directors and key management personnel has an employment contract with CHL which can be terminated by either party giving notice of resignation/termination. The RC has reviewed and concluded that the termination clauses are fair and reasonable and there are no onerous or over-generous removal clauses are contained in the employment contract.

## **Provision 6.4**

### **Engagement of remuneration consultants**

The recommendations of the RC will be submitted to the Board for approval. The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by CHL. For FY2022, there was no engagement of remuneration consultant.

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## LEVEL AND MIX OF REMUNERATION

### Disclosure on Remuneration

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

#### Provision 7.1

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

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

The level and mix of each remuneration package of the Executive Directors are designed after considering the market's pay and employment conditions within the industry and in comparable companies, the individual's level of responsibilities, CHL's relative performance and the performance of individual Directors. As part of its review, the RC ensures that the performance-related elements of remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interest with the long-term interest and risk policies of CHL and of the shareholders, and link rewards to corporate and individual performance.

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

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

#### Provision 7.2

##### Remuneration of Non-Executive and Independent Directors

For Independent Non-Executive Directors of CHL, the structure and level of directors' fees are tied to their respective roles and responsibilities on the Board and Board Committees. The directors' contributions and attendance at meetings are taken into consideration in determining the directors' fee structure.

#### Provision 7.3

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

Currently, the Company has no long-term incentive scheme. The RC has reviewed and is satisfied that the existing remuneration structure for Executive Directors and key management personnel for their fixed and variable components to be paid out in cash would continue to be adequate in incentivising performance without being excessive.

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# Corporate Governance Report

## DISCLOSURE OF REMUNERATION

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

### Provisions 8.1 and 8.2

#### Remuneration Report

##### Remuneration of Directors and the CEO

A breakdown showing the level and mix of each director's remuneration for the financial year ended 31 March 2022 is as follows:

Remuneration Band and Name of Director	Fee %	Salary %	Bonus %	Other Benefits <sup>1</sup> %
<b>\$4,750,000 to \$5,000,000</b>				
Lim Keen Ban	2	9	88	1
<b>\$5,250,000 to \$5,500,000</b>				
Lim Jit Ming <sup>2</sup>	1	9	89	1
<b>\$3,500,000 to \$3,750,000</b>				
Yu Chuen Tek Victor	2	12	84	2
<b>\$2,750,000 to \$3,000,000</b>				
Lim Jit Yaw <sup>2</sup>	2	13	83	2
<b>Below \$250,000</b>				
Chin Sek Peng, Michael	100	-	-	-
Lau Ping Sum, Pearce	100	-	-	-
Foo See Jin	100	-	-	-
Long Foo Pieng <sup>3</sup>	100	-	-	-
Chuang Keng Chiew	100	-	-	-
Tan Siew San	100	-	-	-

<sup>1</sup> Other benefits refer to benefits-in-kind such as car, club membership, etc. which are made available to directors, as appropriate.

<sup>2</sup> Mr Lim Jit Ming and Mr Lim Jit Yaw are the sons of Mr Lim Keen Ban, controlling shareholder and Chairman.

<sup>3</sup> Mr Long Foo Pieng resigned as Independent Director effective from 1 July 2021.

The Board is of the view that it is in the best interests of the Company that specific details of the remuneration of each individual Director be kept confidential. The Board believes that the disclosure provided is in the interest of the Company as it would avoid a situation where the information might be exploited by the competitors, while allowing directors to maintain some degree of their personal confidentiality on remuneration matters.

While the exact remuneration of the Directors is not given, the level and mix of remuneration of the Directors in percentage terms within remuneration bands of S\$250,000 are provided. The Company believes that such disclosure, taking into account of the reasoning mentioned above, provides shareholders with an adequate appreciation of the remuneration packages of the Directors and is consistent with the intent of Principle 8 of the Code.

#### Remuneration of Key Management

The remuneration paid to the key management personnel (who are not Directors or the CEO) for FY2022 is as follows:

	Salary %	Bonus %	Other benefits* %	Total %
<b>S\$750,000 to S\$999,999</b>				
Tay Liam Khoon	36	63	1	100
Krist Chatikaratana	21	78	1	100
<b>S\$500,000 to S\$749,999</b>				
Lim Yin Chian	42	53	5	100
Yuen King Yu Andrew	53	46	1	100
Tan Han Lim	35	50	15	100
Ong Ban	67	30	3	100
<b>S\$250,000 to S\$499,999</b>				
Cheah Yoke Kian Dorris	44	25	3	100

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

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

The aggregate of total remuneration paid or accrued to the key management personnel (who are not directors or the CEO) for FY2022 was S\$4,312,000.

# Corporate Governance Report

## Immediate Family Member of substantial shareholders, Directors or the CEO

The following are employees who are immediate family members of Mr Lim Keen Ban, controlling shareholder and Chairman and Mr Lim Jit Ming, the CEO. Their remuneration in bands of S\$100,000 during the financial year ended 31 March 2022 are shown below:

Relationship to Mr Lim Keen Ban	
<b>\$300,000 to \$399,999</b>	
Chia Nyok Song @ Cheah Yoke Heng	Spouse
<b>\$200,000 to \$299,999</b>	
Cheah Kok Chong	Brother-in-law
Lim Hui Ying	Granddaughter
<b>\$100,000 to S\$199,999</b>	
Tsai Kin Chon Ivan	Brother-in-law
Lim Jun Sheng	Grandson
<b>Below S\$100,000</b>	
Sim Kee Hoon	Sister-in-law
Lim Jun Kai	Grandson

### Provision 8.3

#### Share Incentive Scheme

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

## ACCOUNTABILITY AND AUDIT

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

### Provision 9.1

#### Risk Management and Internal Control Systems

The Board determines the nature and extent of the significant risks which CHL is willing to take in achieving its strategic objectives and value creation.

The responsibility of overseeing CHL's risk management framework and policies is undertaken by the AC with the assistance of the internal auditor. As the AC has assumed the function of a risk committee, no separate risk committee is required.

The AC reviews the effectiveness of the Group's material internal controls to address key financial, operational, information technology and compliance risks. In this respect, the AC reviews the audit plans, and the findings of the external and internal auditors and ensures that Management follows up on the auditors' recommendations raised during the audit processes. Additionally, the Board acknowledges that no cost-effective internal control systems will preclude all errors and irregularities. An internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatements or losses.

The Management regularly reviews its business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks and will highlight all significant matters to the Board of Directors and the AC.

During the year, the AC had reviewed the effectiveness of the Group's risk management system and internal controls in light of key business and financial risks affecting the operations and submitted the report of its review to the Board.

The Group's financial risk management objectives and policies are disclosed under Note 37 of the Financial Statements.

#### **Provision 9.2**

##### **Assurances to the Board**

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

- (a) the financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are adequate and effective to address key financial, operational, compliance and information technology risks which CHL considers relevant and material to its current business environment.

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

#### **Guideline 11.3**

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

Based on the risk management system and internal controls established and maintained by the Group, the assurance from the CEO and the Chief Financial Officer as described above and work performed by the external and internal auditors ("auditors") and discussions with them, including the Management's responses to the auditors' recommendations for improvements to the Group's internal controls, the Board with the concurrence of the AC is of the opinion that the Group's risk management systems and internal controls of the Group are adequate and effective in addressing the key financial, operational, compliance and information technology risks which are significant as at the reporting date. The AC concurs with the Board's opinion based on their reviews of audit findings on internal controls and risks with the internal and external auditors.

# Corporate Governance Report

## AUDIT COMMITTEE

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

### Provisions 10.1 and 10.2

#### AC membership and responsibilities

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

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

The Chairman of the AC, Mr Chin Sek Peng, Michael, is a public accountant, a fellow practising member of the Institute of Singapore Chartered Accountants ("ISCA"), and a fellow member of the Institute of Chartered Accountants in England and Wales. He was formerly a council member of ISCA and the Chairman of the Public Accounting Practice Committee. Mr Lau Ping Sum has the requisite financial experience having previously chaired for more than 10 years the AC of another listed company. The AC benefits from Mr Chuang Keng Chiew's legal experience as a practising lawyer in reviewing issues with a legal perspective. The AC is kept abreast by the Management, external and internal auditors on the changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements. The Board is satisfied that Mr Chin and Mr Lau have recent and relevant accounting or related financial management expertise or experience, facilitated by Mr Chuang's legal expertise to discharge the AC's functions.

The AC is guided by the following terms of reference, which include the following:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of CHL and any announcements relating to CHL's financial performance;
- reviewing at least annually the adequacy and effectiveness of CHL's internal controls and risk management systems;
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements and the adequacy and effectiveness of internal controls and risk management systems;
- reviewing the findings relating to auditing matters as presented by the external and internal auditors including any other matters which the external and internal auditors wish to discuss with the AC in the absence of Management;
- reviewing findings of any internal investigations and Management's response;
- reviewing the independence, effectiveness and adequacy of the result of the external audit and of the internal audit function;
- recommending to the Board on the appointment, re-appointment and removal of the external auditor;
- reviewing interested person transactions and potential conflicts of interest situations that may arise including any transactions, procedures or courses of action that raise questions about Management's integrity; and
- reviewing complaints that may raise concerns about possible improprieties or irregularities that require the AC to review and if required, investigate with the support of external professional service firms.

In addition, the AC had presented a report to the Board in respect of:

- the co-operation given by the Company's officers to the external and internal auditors and whether the auditors in the course of carrying out their duties, were obstructed or impeded by Management;
- the adequacy of the Group's internal accounting control system and its internal control procedures as reported by the external and internal auditors to the AC;
- compliance with legal and other regulatory requirements; and
- any other matters which, in the AC's opinion, should be brought to the attention of the Board.

### Commentary on key audit matter set out in the Independent Auditor's Report

The AC noted the two key audit matters raised by the independent auditor in its audit report to the members of Cortina Holdings Limited. Key audit matters are those matters that, in the external auditor's professional judgement, were of most significance in their audit of the financial statements of the current reporting year. Below sets out the AC's comments to the key audit matters.

Key audit matter involving significant judgement and estimates	Matter considered	Conclusion by AC
1. Net realisable value of inventories (see Note 23 of the audited financial statements)	<p>In the Group's statement of financial position, gross inventories net of obsolescence provision amounted to about S\$211 million at 31 March 2022 (2021: S\$214 million) and this accounted for approximately 35% of total assets of the Group at reporting date. The Group's inventories comprised luxury timepieces and luxury accessories that are of different brands and ages.</p> <p>The Singapore accounting standard requires inventories to be stated at the lower of cost and net realisable value ("NRV"). NRV can be lower than cost due to a variety of reasons such as (i) decline in demand, (ii) physical damage to the goods or (iii) obsolescence due to old age. All these reasons may result in the inventory being sold at below cost. When NRV is lower than cost, the inventory would need to be reduced by an allowance for inventories. The lower of cost and NRV is consistent with the principle of asset impairment which requires assets not to be reported in the statement of financial position in excess of the amounts to be recovered.</p> <p>As the monetary value of inventories in the Group's statement of financial position is highly significant, assessing the amount of allowances to be made for the Group's inventories is a key audit matter given that such inventory provision requires management to make significant judgement and estimates based on factors such as historical allowance experience, future demand and selling prices and ageing of the inventories.</p> <p>Management has in prior years established a provisioning policy that is consistent and prudent based on the principle that the older the inventory, the higher the provision given that the risk of an inventory item being sold lower than cost is higher. The auditor has reviewed the provisioning policy and carried out the audit procedures as stated in its auditor's report. No adverse findings were reported to the AC by the external auditor on this matter. At 31 March 2022, the inventory obsolescence provision amounted to approximately S\$15.8 million compared to prior year of S\$13.6 million. This is disclosed in Note 23 of the financial statements.</p>	<p>Based on the discussion with management and the external auditor including review of the results of the auditor's evaluation of the inventory obsolescence provision as well as AC's review of the inventory obsolescence provisioning policy and ageing of inventories, the AC is satisfied that the inventories are stated at the lower of cost and net realisable value.</p>

# Corporate Governance Report

## Key audit matter involving significant judgement and estimates

	Matter considered	Conclusion by AC
2. Purchase price allocation in business combination (see Notes 18 and 19 of the audited financial statements)	<p>On 16 March 2021 the group completed the acquisition of Sincere Watch Limited for a purchase consideration of around S\$84.7 million. Management engaged an external valuation expert to assist them with the purchase price allocation (PPA) exercise for the acquisition, whereby the consideration was allocated to the fair value of the identifiable assets acquired and liabilities assumed. The PPA exercise was finalised during the year and a negative goodwill of \$180,000 was recognised in profit or loss.</p> <p>This is a key audit matter as there are judgement and estimates involved in determining the allocation of the purchase price to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed.</p>	<p>Based on discussion with the external auditor including the review of the findings presented by the external auditor on its review of the PPA exercise and the review of the PPA report prepared by the external valuation expert, the AC is satisfied that the allocation of the purchase price to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed has been properly carried out resulting in a negative goodwill of S\$180,000 being recognised as a gain in profit or loss.</p>

### Authority of AC

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by CHL. Each member of the AC shall abstain from voting any resolutions in respect of matters he is interested in.

### Independence of External Auditors

The Company confirms compliance with Rules 712, 715 and 716 of the Listing Manual. RSM Chio Lim LLP is the external auditor of CHL and its Singapore subsidiaries and is registered with the Accounting and Corporate Regulatory Authority. The names of the auditors of CHL's subsidiaries and its associated companies are disclosed in note 18 of the financial statements. The Board and the AC are satisfied that the appointment of different auditors for its foreign subsidiaries and associated companies would not compromise the standard and effectiveness of the audit of the Group.

The AC has reviewed the non-audit services rendered to the Group by the external auditors. During the year, the fees paid to the external auditor of CHL for non-audit services amounted to S\$66,000 or 22% of the total fees. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The AC had reviewed the results of the external audit with the external auditor and is satisfied with the independence, adequacy and effectiveness of the audit. The AC recommended their re-appointment to the Board.

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### **Whistleblowing Policy**

CHL has in place a whistleblowing policy to deal with staff concerns about improprieties. The AC is responsible for oversight and monitoring of whistleblowing and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up actions.

The staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties on matters of financial reporting or other matters to the Executive Directors or the Human Resource Department, for onward forwarding to the AC Chairman. CHL also makes known to such complainants that they may, if they so wish, make direct reports to the AC. The written and circulated whistleblowing policy and procedures also sets out the procedures for raising concern or making complaints, and the process of investigation. Such concerns raised are independently investigated and appropriate follow-up action taken if warranted.

CHL will treat all information received as confidential and protect the identity and interest of all whistleblowers. Following investigation and evaluation of a complaint the AC will decide whether the matter needs further follow up and appropriate action to be taken. If the AC decides not to proceed with the investigation, the decision must be explained as fully as possible to the person who raised the concern. The action determined by the AC will then be brought to the Board or to appropriate members of senior management, for improvements or remedial actions, as appropriate.

CHL will not tolerate the harassment or victimisation of anyone reporting a genuine concern. If a whistleblower has suffered adverse treatment, harassment or victimisation as a result of his disclosure, he should submit a formal complaint under the grievance procedure to the Human Resource Manager and any higher authority, as appropriate. An investigation may take place and disciplinary action may be taken against the perpetrator of such harassment or victimization.

The whistle-blowing policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

### **Provision 10.3**

#### **Restriction on AC membership**

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

### **Provision 10.4**

#### **Internal Audit Function**

The Company has engaged One e-Risk Services Pte Ltd as its internal auditor.

The Internal Auditor reports directly to the AC. The AC ensures that the internal audit function has appropriate standing with the management and staff and has unfettered access to the AC and all the company's documents, records, properties and personnel. The AC has assurance from the Internal Auditor that it has the capacity and adequate resources for the internal audit function to be executed effectively.

The AC is satisfied that the Internal Auditor is a suitable professional service firm to meet the Company's internal audit obligations, with adequate resources and the assigned engagement team to the Company's internal audit has the number and experience of supervisory and professional staff. The Internal Auditor is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

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# Corporate Governance Report

The primary functions of the Internal Auditor are:

- (a) To assess if adequate systems of internal controls are in place to safeguard the funds and assets of the Group, and to ensure that control procedures are complied with;
- (b) To assess if the business processes under review are conducted efficiently and effectively; and
- (c) To identify and recommend improvement to internal control procedures, where required.

## *Adequacy and Effectiveness of Internal Audit Function*

The AC reviews the audit plans of the Internal Auditor, ensures that adequate resources are directed to carry out those plans, and reviews the results of the Internal Auditor's examination of CHL's system of internal controls. The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

## **Provision 10.5**

### **Meeting with External and Internal Auditors without Presence of Management**

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

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

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

## **Provision 11.1**

### **Shareholders' participation and vote at general meetings**

Every shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

At the annual general meeting, shareholders are given the opportunity to express their views and ask the Board and Management questions regarding the operations of CHL. All resolutions at general meetings are required to be voted by poll under the Listing Rules. Shareholders will be briefed by CHL on the poll voting procedures at general meetings. An independent scrutineer firm was present to validate the votes at the last AGM. The results of the electronic poll voting on each resolution tabled at the last AGM, including the total number of votes cast for or against each resolution, were also announced after the said meeting via SGXNet.

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Due to the COVID-19 situation, the AGM in 2020 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders could not attend the meeting in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on CHL's corporate website and on SGXNET. In view of the continuing COVID-19 situation, CHL will conduct the forthcoming annual general meeting in similar manner.

#### **Provision 11.2**

##### **Separate resolutions at general meetings**

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

#### **Provision 11.3**

##### **Attendance of Directors and auditors at general meetings**

The Directors, including the chairpersons of each of the Board Committees are available at the general meetings to address shareholders' queries. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders. In 2022, the Company held two general meetings, the annual general meeting and an extraordinary general meeting which were attended by all the Directors and the auditor.

#### **Provision 11.4**

##### **Absentia voting**

The Company's Constitution allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings. A shareholder who is absent from a general meeting can exercise his vote in absence through his proxy or proxies. The Companies Act allows relevant intermediaries who include CPF agent banks nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of CHL as their CPF agent banks' proxies.

#### **Provision 11.5**

##### **Minutes of general meetings**

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

#### **Provision 11.6**

##### **Dividend Policy**

CHL does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected capital expenditure and investments in proposing a dividend. The details of dividend payment, if any, would be disclosed via the release of the announcements through SGXNET.

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# Corporate Governance Report

## ENGAGEMENT WITH SHAREHOLDERS

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

### Provision 12.1

#### Communication between the Board and shareholders

In line with continuous obligations of CHL pursuant to the Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

Information is disseminated to shareholders on a timely basis through:

- (a) SGXNET announcements and news release;
- (b) Annual Report prepared and issued to all shareholders;
- (c) Press releases on major developments of the Group;
- (d) Notices of and explanatory memoranda for AGM and extraordinary general meetings; and
- (e) CHL's website at [www.cortina.com.sg](http://www.cortina.com.sg) where shareholders can access information on the Group.

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

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

### Provisions 12.2 and 12.3

#### Investor relations

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

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

## ENGAGEMENT WITH STAKEHOLDERS

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

### Provisions 13.1 and 13.2

#### Engage with its material stakeholder groups

The Group's material stakeholders are its shareholders, customers, business partners, employees, regulator and suppliers. CHL seeks to create and maintain long standing relationship with all its stakeholders. Internal and external stakeholders' feedback, needs and concerns are actively sought through various communication channels established and set out in CHL's sustainability report for FY2022 published in this Annual Report.

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**Provision 13.3****Corporate website to communicate and engage with stakeholders**

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

**OTHER CORPORATE GOVERNANCE MATTERS****Dealing in Securities**

In line with Rule 1207(19) of the Listing Manual, CHL has in place a policy prohibiting dealings of the CHL's securities by CHL and its Directors and officers on short-term considerations or if they are in possession of price sensitive or trade sensitive information and during the period one month before and up to the release of the half year and full-year results financial statements ("restricted dealing periods"). Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period.

CHL issues circulars to its directors and employees to remind them of the dealing prohibition before the commencement of each restricted dealing period.

CHL confirms it has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the restricted dealing periods.

**Interested Persons Transactions**

There were no interested person transactions which require disclosure or shareholders' approval under the Listing Rules regulating interested person transactions.

**Material Contracts**

There was no material contract entered into by CHL or any of its subsidiary companies involving the interest of the CEO, any Director or controlling shareholder.

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# Financial Contents

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<b>59</b> Statement by Directors	<b>69</b> Statements of Changes in Equity	<b>140</b> Notice of Annual General Meeting
<b>63</b> Independent Auditor's Report	<b>71</b> Consolidated Statement of Cash Flows	<b>145</b> Corporate Listings
<b>67</b> Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>72</b> Notes to the Financial Statements	
<b>68</b> Statements of Financial Position	<b>138</b> Shareholding Statistics	

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# Statement by Directors

The directors of the company are pleased to present the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company for the reporting year ended 31 March 2022.

## 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are drawn up so as to give a true and fair view of the financial position of the group and the company as at 31 March 2022 and, of the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the reporting year then ended; and
- (b) at the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. DIRECTORS

The directors of the company in office at the date of this statement are:

Lim Keen Ban	(Executive Chairman)
Lim Jit Ming	(Group CEO)
Yu Chuen Tek	(Executive Director)
Lim Jit Yaw	(Group COO)
Chin Sek Peng, Michael	(Lead Independent Director)
Lau Ping Sum, Pearce	(Independent Director)
Foo See Jin	(Independent Director)
Chuang Keng Chiew	(Independent Director)
Tan Siew San	(Independent Director) (Appointed on 1 September 2021)

# Statement by Directors

### 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act 1967 ("the Act") except as follows:

Name of directors and company in which interests are held	Shareholdings registered in the name of the directors	
	At beginning of the reporting year	At end of the reporting year
<u>The company</u> <u>Cortina Holdings Limited</u>	Number of ordinary shares of no par value	
Yu Chuen Tek	8,835,015	8,835,015
Lau Ping Sum, Pearce	30,000	30,000
Foo See Jin	7,107,320	7,107,320
Chuang Keng Chiew	7,000	7,000

Name of directors and company in which interests are held	Shareholdings in which directors are deemed to have interest	
	At beginning of the reporting year	At end of the reporting year
<u>The company</u> <u>Cortina Holdings Limited</u>	Number of ordinary shares of no par value	
Lim Keen Ban	70,070,425	70,861,425
Lim Jit Ming	52,657,490	52,657,490
Yu Chuen Tek	7,428,000	7,428,000
Lim Jit Yaw	70,070,425	70,861,425

At the beginning and end of the reporting year, Messrs Lim Keen Ban, Lim Jit Ming, and Lim Jit Yaw, who by virtue of their deemed interests of not less than 20% of the issued capital of the company, are deemed to have interests in the shares held by the company in all its subsidiaries.

The directors' interests as at 21 April 2022 were the same as those at the end of the reporting year.

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# Statement by Directors

## 4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

## 5. OPTIONS

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

## 6. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed its willingness to accept re-appointment as the independent auditor of the company at the next annual general meeting of the company.

## 7. REPORT OF AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Chin Sek Peng, Michael	(Chairman of audit committee and lead independent and non-executive director)
Chuang Keng Chiew	(Independent and non-executive director)
Lau Ping Sum, Pearce	(Independent and non-executive director)
Tan Siew San	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor and the internal auditor their respective audit plans;
  - Reviewed with the independent external auditor its evaluation of the company's internal accounting controls relevant to its statutory audit, and its report on the financial statements and the assistance given by management to them;
  - Reviewed with the internal auditor the findings and recommendations arising from its review of the group's internal controls to address key financial, operational and compliance risks, and the assistance given by management to the internal auditor;
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# Statement by Directors

## 7. REPORT OF AUDIT COMMITTEE (CONT'D)

- Reviewed the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company prior to their submission to the directors of the company for adoption;
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence are safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the company.

## 8. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial results and information, as announced on 27 May 2022, which would materially affect the group's and company's operating and financial performance as of the date of this report.

On behalf of the directors

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Lim Jit Ming  
Director

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Yu Chuen Tek  
Director

30 June 2022

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# Independent Auditor's Report

TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of Cortina Holdings Limited, (the “company”) and its subsidiaries (the “group”), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS (I)) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### a) Net realisable value of inventories

We refer to Note 2A and 2C of the financial statements for the relevant accounting policy and critical judgements, assumptions and estimation uncertainties and Note 23 on inventories for the reporting year end and to the section on the audit committee's review and responses to the reported key audit matter in the annual report.

The group's principal activities are in the retail and distribution of luxury timepieces and luxury accessories. The group holds inventories of \$211,199,000 (2021: \$214,439,000) as at the end of the reporting year. The cost of inventories may not be recoverable in full if those inventories are damaged, or if they become obsolete, or if their selling prices have declined.

The estimate of allowance for inventories is based on the age of these inventories, prevailing market conditions of the luxury timepieces and related products in the retail industry and historical allowance experience which require management's judgement. Management applies judgement in determining the appropriate allowance for inventories based upon a detailed technical assessment of inventories concerned including considering the future demand and future selling prices for the products and ageing analysis of inventories. This methodology relies upon assumptions made in determining the appropriate allowance percentages for each category of inventories.

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# Independent Auditor's Report

TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

## a) Net realisable value of inventories (cont'd)

Our procedures performed included the following:

- Reviewed the appropriateness of the policy for allowances for inventories adopted by management (taking into consideration the historical information and forward looking estimates, inventory ageing and management's technical assessment) and the group's adherence to it;
- Evaluated the appropriateness of the specific allowances for certain brands by reviewing the key assumptions adopted by the group's management and comparing utilisation rates to subsequent sales records;
- Evaluated the accuracy of the group's inventory ageing by verifying on a sample basis that inventory items were categorised appropriately in the relevant ageing band based on the purchase date of the inventories;
- Compared the net realisable value of a sample of inventories to subsequent selling prices;
- Reviewed the inventory turnover days and ageing of the inventories to assess if there were any significant build up of aged inventories; and
- Assessed the adequacy of disclosures made in the financial statements.

## b) Purchase price allocation in business combination

We refer to Notes 2A and 2C of the financial statements for the relevant accounting policy and critical judgements, assumptions and estimation uncertainties, Note 18 on investments in subsidiaries and Note 19 on acquisition of subsidiaries for the reporting year end and to the section on the audit committee's review and responses to the reported key audit matter in the annual report.

On 16 March 2021, the group completed the acquisition of Sincere Watch Limited and its subsidiaries for a purchase consideration of \$84,695,000. Management engaged an external valuation expert to assist them with the purchase price allocation (PPA) exercise for the acquisition, where the consideration was allocated to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed. The PPA exercise was finalised during the year and a negative goodwill of \$180,000 was recognised as a gain to profit and loss.

There are judgement and estimates used in determining the allocation of the purchase price to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. Management has engaged an external valuation expert to assist them with the PPA exercise for the acquisition of Sincere Watch Limited and its subsidiaries.

Our procedures performed included the following:

- Evaluated the competency, capabilities and objectivity of the external valuation expert;
  - Discussed with the external valuation expert on the valuation methodologies used and results of their work;
  - Engaged our internal valuation specialist, acting as auditor's expert, to assist in reviewing the purchase price allocation and evaluating the valuation methodologies used;
  - Reviewed the appropriateness of the judgements and assumptions used in determining the fair value assigned to the identifiable assets acquired and liabilities assumed; and
  - Considered the appropriateness of disclosures made in the financial statements.
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# Independent Auditor's Report

TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

## Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## Responsibilities of management and directors for the financial statements

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
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# Independent Auditor's Report

TO THE MEMBERS OF CORTINA HOLDINGS LIMITED

## Auditor's responsibilities for the audit of the financial statements (cont'd)

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## 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 Eu Chee Wei David.

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

30 June 2022

Engagement partner - effective from year ended 31 March 2022.

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 MARCH 2022

	Notes	Group	
		2022 \$'000	2021 \$'000
			(Restated)
<b>Revenue</b>	5	716,866	436,715
Interest income	6	211	419
Other income and gains	7	6,652	9,338
Changes in inventories of finished goods		(3,240)	71,104
Purchase of goods and consumables		(478,009)	(380,735)
Employee benefits expense	8	(60,881)	(33,068)
Rental expense	30	(6,791)	(2,594)
Depreciation expense	15,16,21	(7,146)	(4,738)
Depreciation of right-of-use-assets	17	(32,807)	(22,986)
Other expenses	9	(36,057)	(15,272)
Other losses	7	(2,731)	(1,892)
Finance costs	10	(3,501)	(1,714)
Share of profit/(loss) from equity-accounted associates	20	67	(54)
<b>Profit before tax</b>		92,633	54,523
Income tax expense	11	(18,818)	(11,526)
<b>Profit, net of tax</b>		73,815	42,997
Profit attributable to owners of the parent, net of tax		68,763	39,732
Profit attributable to non-controlling interests, net of tax		5,052	3,265
<b>Profit, net of tax</b>		73,815	42,997
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share</b>			
Earnings per share currency unit			
Basic and diluted	14	41.5	24.0
<b>Profit, net of tax</b>		73,815	42,997
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		(2,534)	(2,293)
<b>Total comprehensive income for the year, net of tax</b>		71,281	40,704
Total comprehensive income attributable to owners of the parent		66,665	37,623
Total comprehensive income attributable to non-controlling interests		4,616	3,081
<b>Total comprehensive income</b>		71,281	40,704

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

# Statements of Financial Position

AS AT 31 MARCH 2022

	Notes	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(Restated)					
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	15	24,429	14,647	394	520
Investment properties	16	6,548	4,174	9,011	4,174
Right-of-use assets	17	95,000	96,408	-	-
Investments in subsidiaries	18	-	-	141,487	141,487
Investments in associates	20	3,494	3,474	1,000	1,000
Intangible assets	21	919	1,363	-	-
Deferred tax assets	11	2,689	3,425	-	-
Other assets	22	9,567	9,801	-	-
<b>Total non-current assets</b>		<b>142,646</b>	<b>133,292</b>	<b>151,892</b>	<b>147,181</b>
<b>Current assets</b>					
Inventories	23	211,199	214,439	-	-
Trade and other receivables	24	12,351	15,221	14,304	6,912
Other assets	25	4,233	3,725	663	23
Cash and cash equivalents	26	226,520	130,026	525	13,523
<b>Total current assets</b>		<b>454,303</b>	<b>363,411</b>	<b>15,492</b>	<b>20,458</b>
<b>Total assets</b>		<b>596,949</b>	<b>496,703</b>	<b>167,384</b>	<b>167,639</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	27	35,481	35,481	35,481	35,481
Other reserves	28	356	2,440	-	-
Retained earnings		278,695	220,709	33,224	40,165
<b>Equity, attributable to owners of the parent, total</b>		<b>314,532</b>	<b>258,630</b>	<b>68,705</b>	<b>75,646</b>
Non-controlling interests		14,636	11,262	-	-
<b>Total equity</b>		<b>329,168</b>	<b>269,892</b>	<b>68,705</b>	<b>75,646</b>
<b>Non-current liabilities</b>					
Provisions	29	4,925	5,579	-	-
Financial liabilities – lease liabilities	30	70,390	69,455	-	12
Other financial liabilities	31	25,500	-	-	-
Other liabilities	33	5,357	2,213	-	-
Deferred tax liabilities	11	156	231	-	-
<b>Total non-current liabilities</b>		<b>106,328</b>	<b>77,478</b>	<b>-</b>	<b>12</b>
<b>Current liabilities</b>					
Income tax payable		12,718	9,124	220	348
Financial liabilities – lease liabilities	30	27,194	28,840	12	64
Trade and other payables	32	83,646	61,607	98,447	91,569
Other financial liabilities	31	21,484	37,934	-	-
Other liabilities	33	16,411	11,828	-	-
<b>Total current liabilities</b>		<b>161,453</b>	<b>149,333</b>	<b>98,679</b>	<b>91,981</b>
<b>Total liabilities</b>		<b>267,781</b>	<b>226,811</b>	<b>98,679</b>	<b>91,993</b>
<b>Total equity and liabilities</b>		<b>596,949</b>	<b>496,703</b>	<b>167,384</b>	<b>167,639</b>

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

# Statements of Changes in Equity

YEAR ENDED 31 MARCH 2022

	← Attributable to parent →					Non- controlling interests \$'000
	Total equity \$'000	Sub-total \$'000	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	
<b>Group:</b>						
<b>Current year:</b>						
Opening balance at 1 April 2021	269,892	258,630	35,481	2,440	220,709	11,262
<b>Changes in equity:</b>						
Total comprehensive income for the year	71,281	66,665	-	(2,098)	68,763	4,616
Transferred to/(from) retained earnings	-	-	-	14	(14)	-
Dividends paid (Note 13)	(12,005)	(10,763)	-	-	(10,763)	(1,242)
<b>Closing balance at 31 March 2022</b>	<b>329,168</b>	<b>314,532</b>	<b>35,481</b>	<b>356</b>	<b>278,695</b>	<b>14,636</b>
<b>Previous year:</b>						
Opening balance at 1 April 2020	241,591	231,770	35,481	3,704	192,585	9,821
<b>Changes in equity:</b>						
Total comprehensive income for the year (Restated)	40,704	37,623	-	(2,109)	39,732	3,081
Transferred to/(from) retained earnings	-	-	-	845	(845)	-
Dividends paid (Note 13)	(12,403)	(10,763)	-	-	(10,763)	(1,640)
<b>Closing balance at 31 March 2021 (Restated)</b>	<b>269,892</b>	<b>258,630</b>	<b>35,481</b>	<b>2,440</b>	<b>220,709</b>	<b>11,262</b>

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

# Statements of Changes in Equity

YEAR ENDED 31 MARCH 2022

	Total Equity \$'000	Share Capital \$'000	Retained Earnings \$'000
<b>Company:</b>			
<b>Current year:</b>			
Opening balance at 1 April 2021	75,646	35,481	40,165
<b>Changes in equity:</b>			
Total comprehensive income for the year	3,822	–	3,822
Dividends paid (Note 13)	(10,763)	–	(10,763)
<b>Closing balance at 31 March 2022</b>	<b>68,705</b>	<b>35,481</b>	<b>33,224</b>
<b>Previous year:</b>			
Opening balance at 1 April 2020	62,898	35,481	27,417
<b>Changes in equity:</b>			
Total comprehensive income for the year	23,511	–	23,511
Dividends paid (Note 13)	(10,763)	–	(10,763)
<b>Closing balance at 31 March 2021</b>	<b>75,646</b>	<b>35,481</b>	<b>40,165</b>

# Consolidated Statement of Cash Flows

YEAR ENDED 31 MARCH 2022

	2022 \$'000	2021 \$'000
		(Restated)
<b>Cash flows from operating activities</b>		
Profit before tax	92,633	54,523
Adjustments for:		
Covid-19 related rent concessions from lessors	–	(5,287)
Depreciation of property, plant and equipment and investment property	6,702	4,738
Depreciation of right-of-use assets	32,807	22,986
Amortisation of intangible assets	444	–
Interest income	(211)	(419)
Interest expense	3,501	1,714
Share of (profit)/loss from equity-accounted associates	(67)	54
Gains on disposal of right-of-use assets	(87)	(353)
Gains on disposal of plant and equipment	–	(31)
Property, plant and equipment disposed/written-off	555	1,132
Negative goodwill	–	(180)
Provisions	(279)	131
Operating cash flows before changes in working capital	135,998	79,008
Inventories	2,475	22,942
Trade and other receivables	2,882	(2,741)
Other assets	(352)	(1,517)
Trade and other payables	25,864	2,394
Other liabilities	7,789	2,727
Net cash flows generated from operations	174,656	102,813
Income taxes paid	(15,830)	(10,201)
Net cash flows generated from operating activities	158,826	92,612
<b>Cash flows from investing activities</b>		
Disposal of property, plant and equipment	–	488
Purchase of property, plant and equipment (Note 26B)	(16,093)	(2,286)
Purchase of investment properties	(2,467)	–
Acquisition of subsidiaries (Note 19)	(4,386)	(54,310)
Interest received	211	419
Net cash flows used in investing activities	(22,735)	(55,689)
<b>Cash flows from financing activities</b>		
Lease liabilities – principal portion paid	(31,618)	(17,758)
Increase in loans and borrowings	50,000	16,761
Loans and borrowings paid	(40,950)	(4,687)
Interest paid	(3,501)	(1,714)
Dividends paid	(10,763)	(10,763)
Dividend paid to non-controlling interest of subsidiaries	(1,242)	(1,640)
Cash restricted in use	(30,130)	–
Net cash flows used in financing activities	(68,204)	(19,801)
<b>Net increase in cash and cash equivalents</b>	67,887	17,122
Cash and cash equivalents, beginning balance	130,026	114,389
Effect of foreign exchange rate adjustments	(1,523)	(1,485)
<b>Cash and cash equivalents, ending balance (Note 26)</b>	196,390	130,026

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

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# Notes to the Financial Statements

31 MARCH 2022

## 1. GENERAL

The company is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements are presented in Singapore dollars and they cover the company (referred to as “parent”) and the subsidiaries (the “group”).

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company and provides management services to its subsidiaries and associates. The principal activities of the subsidiaries are described in Note 18 to the financial statements.

The registered office and the principal place of business of the company is located at 391B Orchard Road, #18-01 Ngee Ann City Tower B, Singapore 238874. The company is situated in Singapore.

The Covid-19 pandemic:

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the reporting entity’s business, and accordingly no further disclosures are made in these financial statements.

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

These financial statements have prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB).

### **Accounting convention**

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

### **Basis of preparation of the financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

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# Notes to the Financial Statements

31 MARCH 2022

## 1. GENERAL (CONT'D)

### Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary, with any resulting gain or loss recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investment financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the company's separate statement of profit or loss and other comprehensive income and separate statement of cash flows are not presented.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. Significant accounting policies

#### Revenue recognition

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

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

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

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Other income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

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

Interest income is recognised using the effective interest method.

#### Government grants

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

#### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain overseas subsidiaries have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

For subsidiaries incorporated in Thailand, provision for post-employment benefits is made in accordance with Thai Labour Law and the subsidiaries' staff manual which is calculated using the last salaries as of reporting date in conjunction with discount rates, mortality rates, employee turnover rates and expected number of years of service.

#### Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

#### Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

The direct method is used whereby the financial statements of the foreign operations are translated directly into the functional currency of the ultimate parent.

#### Income tax

Income taxes are recorded using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated.

The tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Income tax (cont'd)

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associates except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

#### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Freehold property	-	2%
Leasehold property	-	Over terms of lease which is approximately 2%
Leasehold improvement	-	16.67% to 50%
Plant and equipment	-	10% to 50%
Assets in progress	-	Not depreciated

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 29 on provisions.

# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. The annual rates of depreciation are as follows:

Retail outlets	-	Over terms of lease which is approximately 20% to 50%
Office spaces	-	Over terms of lease which is approximately 33.33% to 50%
Motor vehicles	-	Over terms of lease which is approximately 33.33% to 50%

#### Investment property

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

The annual rate of depreciation is as follows:

Leasehold property	-	2%
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#### Leases of lessee

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

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Leases of lessor

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

#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Associate (cont'd)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

#### Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Where the fair values are measured on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

#### Inventories

Inventories are measured at the lower of cost (on the specific identification method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Financial instruments

Recognition and derecognition of financial instruments:

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

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Financial instruments (cont'd)

Classification and measurement of financial assets:

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

Classification and measurement of financial liabilities:

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

#### Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

#### Hedging

The entity is exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2A. Significant accounting policies (cont'd)

#### Derivative financial instruments

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

#### Fair value measurement

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

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

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

In making the fair value measurement for a non-financial asset, management determines the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2B. Other explanatory information

#### Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

#### Net realisable value of inventories:

A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement that could materially affect the carrying amount of inventories including the ornament timepieces at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 23 on inventories.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### Purchase price allocation in business combination:

The group finalised the purchase price allocation (PPA) exercise for the acquisition of Sincere Watch Limited and its subsidiaries during the year. There are judgement and estimates used in determining the allocation of the purchase price to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. Information about the valuation methodologies used and the underlying key assumptions applied in estimating the fair values of identifiable assets acquired and liabilities assumed, and the identification and valuation of intangible assets, in the PPA exercise performed is disclosed in Note 19.

#### Expected credit loss allowance on trade receivables:

The allowance for expected credit losses (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 24 on trade and other receivables.

#### Income tax amount:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in Note 11 on income tax.

#### Useful lives of property, plant and equipment and right-of-use assets:

The estimates for the useful lives and related depreciation charges for property, plant and equipment and right-of-use assets are based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the property, plant and equipment and right-of-use assets at the end of the reporting year is disclosed in Note 15 and Note 17 respectively.

# Notes to the Financial Statements

31 MARCH 2022

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

### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### Lease term:

The lease liabilities are initially measured by discounting the lease payments over the lease terms. For leases with extension or renewal options, management applied judgement in determining whether such extension or renewal options should be reflected in measuring the lease liabilities. This requires the consideration of whether the facts and circumstances created an economic incentive for the exercise of the lease extension or renewal option. The amount of the lease liabilities at the end of the reporting year is disclosed in Note 30.

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

### 3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	<b>Associates</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Purchase of goods	(8)	-
Sale of goods	59	-

# Notes to the Financial Statements

31 MARCH 2022

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

### 3B. Key management compensation

	Group	
	2022 \$'000	2021 \$'000
Salaries and other short-term employee benefits	20,929	13,939
Post-employment benefit	186	204

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

	Group	
	2022 \$'000	2021 \$'000
Remuneration of directors of the company	16,438	10,335
Remuneration of directors of the subsidiaries	2,093	1,459
Fees payable to directors of the company	709	590

Further information about the remuneration of individual directors is provided in the corporate governance report.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors and key executives.

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

### 4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas and the major customers are made as required by the financial reporting standard on operating segments. The disclosure standard has no impact on the reported financial performance or financial position of the group.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) wholesale and (2) retail. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

# Notes to the Financial Statements

31 MARCH 2022

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

### 4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

The segments and the types of products and services are as follows:

The retail segment is involved in retailing of timepiece, branded pens and accessories (the "Retail").

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

Others operations include provision of other support services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, investment property, right-of-use assets, inventories, trade and other receivables, other assets and cash and cash equivalents. Segment liabilities comprise trade and other payables, other financial liabilities, provisions and other liabilities. Unallocated items comprise mainly investment in associates, deferred tax assets, deferred and current tax liabilities.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before income taxes and other unallocated items (called "ORBT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

### 4B. Profit and loss from continuing operations and reconciliations

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>Continuing Operations 2022:</b>					
<b>Revenue by Segment</b>					
Total revenue by segment	654,469	62,133	264	-	716,866
Inter-segment revenue	13,744	93,589	3,676	(111,009)	-
Total revenue	668,213	155,722	3,940	(111,009)	716,866
<b>Recurring EBITDA</b>					
Finance costs	(3,276)	(222)	(3)	-	(3,501)
Depreciation	(38,198)	(1,220)	(228)	(307)	(39,953)
ORBT	73,426	16,347	5,326	(2,533)	92,566
Share of loss from associates	84	-	(17)	-	67
Profit before tax					92,633
Income tax expense					(18,818)
<b>Profit, net of tax</b>					<b>73,815</b>

# Notes to the Financial Statements

31 MARCH 2022

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

### 4B. Profit and loss from continuing operations and reconciliations (cont'd)

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
(Restated)					
<b>Continuing Operations 2021:</b>					
<b>Revenue by Segment</b>					
Total revenue by segment	403,800	32,452	463	-	436,715
Inter-segment revenue	266	28,630	2,385	(31,281)	-
<b>Total revenue</b>	<b>404,066</b>	<b>61,082</b>	<b>2,848</b>	<b>(31,281)</b>	<b>436,715</b>
<b>Recurring EBITDA</b>					
Finance costs	(1,647)	(85)	(6)	24	(1,714)
Depreciation	(26,944)	(566)	(214)	-	(27,724)
ORBT	34,571	4,083	25,952	(10,029)	54,577
Share of loss from associates	-	-	(54)	-	(54)
Profit before tax					54,523
Income tax expense					(11,526)
<b>Profit, net of tax</b>					<b>42,997</b>

### 4C. Assets and reconciliations

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>2022:</b>					
Segment assets	491,598	93,536	11,756	(6,124)	590,766
Unallocated assets:					
Deferred tax assets					2,689
Investments in associates					3,494
<b>Total group assets</b>					<b>596,949</b>
<b>2021 (Restated):</b>					
Segment assets	380,986	103,287	19,341	(13,810)	489,804
Unallocated assets:					
Deferred tax assets					3,425
Investments in associates					3,474
<b>Total group assets</b>					<b>496,703</b>

# Notes to the Financial Statements

31 MARCH 2022

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

### 4D. Liabilities and reconciliations

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
<b>2022:</b>					
Segment liabilities	189,412	49,676	16,113	(294)	254,907
Unallocated liabilities:					
Deferred and current tax liabilities					12,874
<b>Total group liabilities</b>					<b>267,781</b>
<b>2021 (Restated):</b>					
Segment liabilities	183,267	29,231	14,610	(9,652)	217,456
Unallocated liabilities:					
Deferred and current tax liabilities					9,355
<b>Total group liabilities</b>					<b>226,811</b>

### 4E. Other material items and reconciliations

	Retail \$'000	Wholesale \$'000	Others \$'000	Elimination \$'000	Group \$'000
Expenditures for non-current assets:					
2022:	47,041	4	4,933	-	51,978
2021:	67,403	9	-	-	67,412

# Notes to the Financial Statements

31 MARCH 2022

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

### 4F. Geographical information

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods and services:

	Revenue		Total assets	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
				(Restated)
Singapore	330,235	206,317	369,686	307,325
South East Asia <sup>(a)</sup>	301,329	175,456	164,171	136,987
North East Asia <sup>(b)</sup>	83,092	54,931	55,257	48,534
Others countries	2,210	11	5,148	343
Unallocated	–	–	2,687	3,514
<b>Total</b>	<b>716,866</b>	<b>436,715</b>	<b>596,949</b>	<b>496,703</b>

(a) South East Asia includes Malaysia, Thailand and Indonesia

(b) North East Asia includes Hong Kong and Taiwan

Revenues are attributed to countries on the basis of the customer's location irrespective of the origin of the goods and services. The total assets are analysed by the geographical area in which the assets are located.

### 4G. Information about major customers

There are no customers with revenue transactions exceeding 10% of the group revenue.

## 5. REVENUE

Revenue classified by type of goods or services:

	Group	
	2022 \$'000	2021 \$'000
Sale of goods	713,079	434,539
Other revenue	3,787	2,176
<b>Total revenue</b>	<b>716,866</b>	<b>436,715</b>

All the contracts are less than 12 months. The revenue from sale of goods is recognised based on point in time. The customers are consumers, retailers and wholesalers.

# Notes to the Financial Statements

31 MARCH 2022

**6. INTEREST INCOME**

	Group	
	2022 \$'000	2021 \$'000
Interest income from financial institutions	211	419

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

	Group	
	2022 \$'000	2021 \$'000
		(Restated)
Foreign exchange adjustments gains	950	346
Gains on disposal of property, plant and equipment	–	31
Gains on disposal of right-of-use assets	87	353
Government grant from Jobs Support Scheme <sup>(a)</sup>	2,839	3,100
Covid-19 related rent concessions from lessors	2,496	5,287
Others	–	41
Negative goodwill	–	180
Inventories written off	(2,176)	(760)
Reversal of provision for dismantling and removing Property, plant and equipment disposed/written-off	280	–
	(555)	(1,132)
Net	3,921	7,446
Presented in the consolidated statement of profit or loss as:		
Other income and gains	6,652	9,338
Other losses	(2,731)	(1,892)
Net	3,921	7,446

(a) The purpose of the Jobs Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for the qualifying period.

# Notes to the Financial Statements

31 MARCH 2022

## 8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2022	2021
	\$'000	\$'000
Short term employee benefits expense	57,514	31,343
Contributions to defined contribution plans	3,367	1,725
Total employee benefits expense	<u>60,881</u>	<u>33,068</u>

## 9. OTHER EXPENSES

The major components and other selected components include the following:

	Group	
	2022	2021
	\$'000	\$'000
Advertising and promotion	16,534	2,916
Credit cards commission	11,847	6,389
Legal and professional fees relating to acquisition of subsidiaries	-	1,805

## 10. FINANCE COSTS

	Group	
	2022	2021
	\$'000	\$'000
Interest expense on bank borrowings	780	230
Interest on lease liabilities	2,721	1,484
	<u>3,501</u>	<u>1,714</u>

# Notes to the Financial Statements

31 MARCH 2022

## 11. INCOME TAX

### 11A. Components of tax expense recognised in profit or loss include:

	Group	
	2022 \$'000	2021 \$'000
<b>Current tax expense:</b>		
Current tax expense	18,370	11,704
Over adjustments in respect of prior years	(62)	(72)
Subtotal	18,308	11,632
<b>Deferred tax expense/(income):</b>		
Deferred tax expense/(income)	479	(134)
Under adjustments in respect of prior years	31	28
Subtotal	510	(106)
Total income tax expense	18,818	11,526

The amount of income tax payable of the group as at end of the reporting year was \$12,718,000 (2021: \$9,124,000). Such an amount is net of tax advances, which, according to the tax rules, were paid before the end of the reporting year.

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2021: 17%) to profit or loss before tax as a result of the following differences:

There are no income tax consequences of dividends paid to owners of the company.

	Group	
	2022 \$'000	2021 \$'000
		<b>(Restated)</b>
Profit before tax	92,633	54,523
Share of (profit)/loss from equity-accounted associates	(67)	54
	92,566	54,577
Income tax expense at the above rate	15,736	9,278
Expenses not taxable for tax purposes	2,572	675
Withholding tax	328	1,076
Stepped income exemption	(52)	(68)
Over adjustments in respect of prior years	(31)	(44)
Effect of different tax rates in different countries	1,816	1,064
Other minor items less than 3% each	(235)	(216)
Unrecognised deferred tax reversal	(1,316)	(239)
Total income tax expense	18,818	11,526

# Notes to the Financial Statements

31 MARCH 2022

**11. INCOME TAX (CONT'D)****11B. Deferred tax expense/(income) recognised in profit or loss includes:**

	Group	
	2022	2021
	\$'000	\$'000
Excess of book over tax depreciation on plant and equipment	71	17
Excess of tax over book depreciation on plant and equipment	170	(108)
Intangible assets	(75)	-
Provisions	1,478	42
Tax losses carried forward	(2,299)	191
Unrecognised deferred tax assets/(reversal)	1,316	(248)
Total deferred tax expense/(income) recognised in statement of profit or loss	661	(106)

**11C. Deferred tax balances in the statement of financial position:**

	Group	
	2022	2021
	\$'000	\$'000
		(Restated)
<u>Deferred tax assets/(liabilities) recognised in statement of financial position:</u>		
Acquisition of subsidiaries (Note 19)	-	2,074
Excess of net book value of plant and equipment over tax values	(175)	(37)
Excess of tax values over net book value of plant and equipment	184	193
Intangible assets	(156)	(231)
Provisions	3,796	1,978
Tax loss carried forward	1,464	481
Unrecognised deferred tax assets	(2,580)	(1,264)
Total	2,533	3,194
Presented in the statement of financial position as follows:		
Deferred tax liabilities	(156)	(231)
Deferred tax assets	2,689	3,425
Net Balance	2,533	3,194

Temporary differences arising in connection with interests in subsidiaries are insignificant.

# Notes to the Financial Statements

31 MARCH 2022

## 11. INCOME TAX (CONT'D)

### 11C. Deferred tax balances in the statement of financial position: (cont'd)

Certain subsidiaries of the group have unutilised tax losses of approximately \$8,610,000 (2021: \$2,829,000), available to offset against future profits. No deferred tax assets have been recognised on these tax losses as the future profit streams of these subsidiaries are not probable. The realisation of the future income tax benefits from tax carryforwards is available for unlimited future period and subject to applicable laws and agreement by relevant tax authorities, except that the following unutilised tax losses of subsidiaries in Hong Kong and Taiwan which can only be carried forward as follows:-

	Unused gross tax losses	
	2022 \$'000	2021 \$'000
<u>Year of expiry</u>		
2023	164	164
2029	78	79
2030	705	705
Indefinitely	7,663	1,881
Total unused gross tax losses	8,610	2,829

## 12. ITEMS IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:-

	Group	
	2022 \$'000	2021 \$'000
<u>Audit fees</u>		
Independent auditor of the company	237	210
Other independent auditors	331	69
<u>Other fees</u>		
Independent auditor of the company	66	24
Other independent auditors	58	81

# Notes to the Financial Statements

31 MARCH 2022

## 13. DIVIDENDS ON EQUITY SHARES

	Rate per share		Group and Company	
	2022	2021	2022	2021
	\$	\$	\$'000	\$'000
Interim tax exempt (1-tier) dividend paid	–	0.040	–	6,623
Final tax exempt (1-tier) dividend paid	0.020	0.020	3,312	3,312
Special tax exempt (1-tier) dividend paid	0.045	0.005	7,451	828
Total dividends paid in the year	0.065	0.065	10,763	10,763

In respect of the current reporting year, the directors propose that a final tax exempt (1-tier) dividend of 2.0 cents per share, a special tax exempt (1-tier) dividend of 5.0 cents per share and a special 50th Anniversary tax exempt (1-tier) dividend of 5.0 cents per share with a total of \$19,869,000 be paid to shareholders after the annual general meeting to be held on the 29 July 2022. There are no income tax consequences. The dividends are subject to approval by shareholders at the next annual general meeting and have not been included as a liability in these financial statements. The proposed dividends are payable in respect of all ordinary shares in issue at the end of the reporting year and including the new qualifying shares issued up to the date the dividends becomes payable.

## 14. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2022	2021
	(Restated)	
Numerators:		
Earnings attributable to equity holders: (\$'000)	68,763	39,732
Denominators:		
Weighted average number of equity shares		
Basic	165,578,415	165,578,415

The weighted average number of equity shares refers to shares in circulation during the reporting period.

Basic earnings per share ratio is based on the weighted average number of common shares outstanding during each period. There is no dilution of earnings per share as there are no dilutive potential ordinary shares outstanding as at the end of the reporting year.

# Notes to the Financial Statements

31 MARCH 2022

## 15. PROPERTY, PLANT AND EQUIPMENT

	Freehold/ Leasehold Properties \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Assets in Progress \$'000	Total \$'000
<b>Group</b>					
<u>Cost:</u>					
At 1 April 2020	2,170	20,883	16,568	217	39,838
Additions	–	3,125	755	29	3,909
Disposals	–	(3,560)	(2,090)	–	(5,650)
Arising from acquisition of subsidiaries	193	–	3,083	–	3,276
Foreign exchange adjustments	(37)	(197)	(48)	–	(282)
At 31 March 2021	2,326	20,251	18,268	246	41,091
Additions	2,467	9,486	5,088	–	17,041
Disposals/written-off	–	(7,998)	(5,402)	–	(13,400)
Reclassifications	–	226	20	(246)	–
Foreign exchange adjustments	(15)	(492)	(197)	–	(704)
At 31 March 2022	4,778	21,473	17,777	–	44,028
<u>Accumulated depreciation:</u>					
At 1 April 2020	698	15,577	9,803	–	26,078
Depreciation for the year	43	2,378	2,229	–	4,650
Disposals	–	(2,967)	(1,094)	–	(4,061)
Foreign exchange adjustments	(15)	(167)	(41)	–	(223)
At 31 March 2021	726	14,821	10,897	–	26,444
Depreciation for the year	52	3,013	3,544	–	6,609
Disposals/written-off	–	(7,717)	(5,128)	–	(12,845)
Foreign exchange adjustments	(5)	(453)	(151)	–	(609)
At 31 March 2022	773	9,664	9,162	–	19,599
<u>Carrying value:</u>					
At 1 April 2020	1,472	5,306	6,765	217	13,760
At 31 March 2021	1,600	5,430	7,371	246	14,647
At 31 March 2022	4,005	11,809	8,615	–	24,429

Certain items are under lease agreements (see Note 30).

# Notes to the Financial Statements

31 MARCH 2022

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

	Leasehold Property \$'000	Plant and Equipment \$'000	Total \$'000
<b><u>Company</u></b>			
<b><u>Cost:</u></b>			
At 1 April 2020, 31 March 2021 and 31 March 2022	284	731	1,015
<b><u>Accumulated depreciation:</u></b>			
At 1 April 2020	97	273	370
Depreciation for the year	3	122	125
At 31 March 2021	100	395	495
Depreciation for the year	6	120	126
At 31 March 2022	106	515	621
<b><u>Carrying value:</u></b>			
At 1 April 2020	187	458	645
At 31 March 2021	184	336	520
At 31 March 2022	178	216	394

# Notes to the Financial Statements

31 MARCH 2022

## 16. INVESTMENT PROPERTIES

	<b>Leasehold Properties \$'000</b>	
<b>Group</b>		
<u>At cost:</u>		
At 1 April 2020 and 31 March 2021		4,685
Additions		2,467
At 31 March 2022		7,152
<u>Accumulated depreciation:</u>		
At 1 April 2020		142
Depreciation for the year		88
At 31 March 2021		230
Depreciation for the year		93
At 31 March 2022		323
<u>Accumulated impairment:</u>		
At 1 April 2020, 31 March 2021 and 31 March 2022		281
<u>Carrying value:</u>		
At 1 April 2020		4,262
At 31 March 2021		4,174
At 31 March 2022		6,548
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair value for disclosure purposes only:		
Fair value at end of the year	6,600	4,050
Rental income from investment properties	63	–
Direct operating expenses (including repairs and maintenance) arising from investment properties	14	8

# Notes to the Financial Statements

31 MARCH 2022

## 16. INVESTMENT PROPERTIES (CONT'D)

	<b>Leasehold Properties \$'000</b>	
<b><u>Company</u></b>		
<b><u>At cost:</u></b>		
At 1 April 2020 and 31 March 2021		4,685
Additions		4,933
At 31 March 2022		<u>9,618</u>
<b><u>Accumulated depreciation:</u></b>		
At 1 April 2020		142
Depreciation for the year		88
At 31 March 2021		230
Depreciation for the year		96
At 31 March 2022		<u>326</u>
<b><u>Accumulated impairment:</u></b>		
At 1 April 2020, 31 March 2021 and 31 March 2022		<u>281</u>
<b><u>Carrying value:</u></b>		
At 1 April 2020		<u>4,262</u>
At 31 March 2021		<u>4,174</u>
At 31 March 2022		<u>9,011</u>
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fair value for disclosure purposes only:</b>		
Fair value at end of the year	9,000	4,050
Rental income from investment properties	63	-
Direct operating expenses (including repairs and maintenance) arising from investment properties	18	8

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

# Notes to the Financial Statements

31 MARCH 2022

## 16. INVESTMENT PROPERTIES (CONT'D)

The fair value of the investment properties was measured in April 2022 based on direct comparison with recent market transactions of comparable properties within the vicinity and elsewhere to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on valuation made by Edmund Tie & Company (SEA) Pte Ltd, a firm of independent professional valuers.

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

Valuation technique for recurring fair value measurements:

Comparison with market evidence of recent offer to sell prices for similar properties.

Asset:	Fair value hierarchy	Fair value \$	Significant observable inputs and range (weighted average) Price per square meter:	Sensitivity on management's estimates 10% variation from estimate
43C Beach Road, Evershine & <sup>(a)</sup> Century Complex Singapore 189681	Level 3	4,200,000	17,872	420,000
1 Upper Aljunied Link #06-06 <sup>(a)</sup> Singapore 367901	Level 3	2,400,000	7,385	240,000
1 Upper Aljunied Link #04-06 <sup>(b)</sup> Singapore 367901	Level 3	2,400,000	7,385	240,000

(a) Classified as investment properties at Group and Company.

(b) Classified as investment properties at Company.

# Notes to the Financial Statements

31 MARCH 2022

## 17. RIGHT-OF-USE ASSETS

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

	Retail Outlets \$'000	Office Space \$'000	Motor Vehicles \$'000	Total \$'000
<b>Group</b>				
<u>Cost:</u>				
At 1 April 2020 on adoption of SFRS(I) 16	58,026	8,292	478	66,796
Additions	61,944	1,242	317	63,503
Disposals	(18,881)	(1,514)	(479)	(20,874)
Arising from acquisition of subsidiaries	26,448	2,113	-	28,561
Foreign exchange adjustments	(291)	(5)	2	(294)
At 31 March 2021	127,246	10,128	318	137,692
Additions	26,517	5,953	-	32,470
Disposals/written-off	(6,138)	(1,255)	-	(7,393)
Foreign exchange adjustments	(825)	(23)	1	(847)
At 31 March 2022	146,800	14,803	319	161,922
<u>Accumulated depreciation:</u>				
At 1 April 2020	22,164	1,442	112	23,718
Depreciation for the year	21,311	1,514	161	22,986
Disposals	(4,526)	(484)	(166)	(5,176)
Foreign exchange adjustments	(240)	(4)	-	(244)
At 31 March 2021	38,709	2,468	107	41,284
Depreciation for the year	30,621	2,020	166	32,807
Disposals/written-off	(6,136)	(435)	-	(6,571)
Foreign exchange adjustments	(567)	(27)	(4)	(598)
At 31 March 2022	62,627	4,026	269	66,922
<u>Carrying value:</u>				
At 1 April 2020	35,862	6,850	366	43,078
At 31 March 2021	88,537	7,660	211	96,408
At 31 March 2022	84,173	10,777	50	95,000

# Notes to the Financial Statements

31 MARCH 2022

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

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

	Group	
	2022	2021
Number of right-of-use assets		
Retail outlets	41	48
Office space	12	10
Motor vehicles	2	3
Total	55	61

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

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

## 18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 \$'000	2021 \$'000
Unquoted equity shares:		
Balance at beginning of the year	141,487	56,792
Additions <sup>(a)</sup>	-	84,695
Balance at the end of the year	141,487	141,487
Total cost comprising:		
Unquoted equity shares at cost	145,623	145,623
Allowance for impairment	(4,136)	(4,136)
Balance at the end of the year	141,487	141,487

(a) The group completed the acquisition of Sincere Watch Limited on 16 March 2021. Consequently, Sincere Watch Limited and its subsidiaries and associated company became subsidiaries and associated company of the group.

# Notes to the Financial Statements

31 MARCH 2022

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

	Company	
	2022 \$'000	2021 \$'000
Analysis of amount denominated in non-functional currencies:		
Hong Kong Dollars	5,142	5,142
New Taiwan Dollars	10,049	10,049
Malaysian Ringgit	33,320	33,320
Thailand Baht	4,531	4,531

The subsidiaries held by the company and its subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost in books of company		Effective percentage of equity held by company	
	2022	2021	2022	2021
	\$'000	\$'000	%	%
Chronoswiss Asia Pte Ltd <sup>(a)</sup> Singapore Import and export of Chronoswiss watches	90	90	90	90
Cortina Watch HK Limited <sup>(b)</sup> Hong Kong Retail, import and export of watches (RSM Hong Kong)	2,529	2,529	100	100
Cortina Watch Pte Ltd <sup>(a)</sup> Singapore Retail, import and export of timepiece, branded pens and luxury accessories	6,871	6,871	100	100
Cortina Watch (Indochina) Pte Ltd <sup>(a)</sup> Singapore Dormant	519	519	100	100
Cortina Watch TW Pte Ltd <sup>(a)</sup> Singapore Retail, import and export of watches	300	300	100	100

# Notes to the Financial Statements

31 MARCH 2022

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

The subsidiaries held by the company and its subsidiaries are listed below: (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Cost in books of company		Effective percentage of equity held by company	
	2022 \$'000	2021 \$'000	2022 %	2021 %
Cortina Watch Sdn Bhd <sup>(b)</sup> Malaysia Retail, import and export of watches, pens and clocks (RSM Malaysia)	33,320	33,320	90	90
Pactime HK Limited <sup>(d)</sup> Hong Kong Dormant	2,613	2,613	100	100
Pacific Time Pte Ltd <sup>(a)</sup> Singapore Import and export of watches	106	106	100	100
Cortina Watch (Thailand) Co. Ltd <sup>(b)</sup> Thailand Retail, import and export of watches (RSM Audit Services (Thailand) Limited)	4,531	4,531	70	70
Cortina Watch Co., Ltd <sup>(c)</sup> Taiwan Retail, import and export of watches (Nexia Sun Rise CPAs & Co.)	8,757	8,757	100	100
Pacific Time Co., Ltd <sup>(c)</sup> Taiwan Distribution of watches (Nexia Sun Rise CPAs & Co.)	1,292	1,292	100	100
Sincere Watch Limited <sup>(c)</sup> Singapore Retail, import and export of watches (Deloitte & Touche LLP)	84,695	84,695	100	100
	145,623	145,623		

# Notes to the Financial Statements

31 MARCH 2022

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

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Effective percentage of equity held by company	
	2022 %	2021 %
<u>Held through Cortina Watch (Indochina) Pte Ltd</u>		
Cortina Watch (Yangon) Ltd <sup>(d)</sup> Myanmar Dormant	100	100
<u>Held through Sincere Watch Limited</u>		
Suntime Watch Pte Ltd <sup>(c)</sup> Singapore Retailing of watches and clocks (Deloitte & Touche LLP)	100	100
Franck Muller Pte Ltd <sup>(c)</sup> Singapore Marketing of Franck Muller time pieces (Deloitte & Touche LLP)	100	100
Heirloom Restoration Services Pte Ltd <sup>(c)</sup> Singapore Watch repair services (Deloitte & Touche LLP)	100	100
Swiss Master Time Pte Ltd <sup>(c)</sup> Singapore Marketing of luxury goods (Deloitte & Touche LLP)	100	100
Suntime Watch Sdn Bhd <sup>(c)</sup> Malaysia Retailing of watches, clocks, pens and related accessories and servicing of watches (Deloitte & Touche LLP)	100	100
Sincere Watch Sdn Bhd <sup>(c)</sup> Malaysia Retailing of watches, clocks, pens and related accessories and servicing of watches (Deloitte & Touche LLP)	100	100

# Notes to the Financial Statements

31 MARCH 2022

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

Name of subsidiaries, country of incorporation, place of operations and principal activities (and independent auditors)	Effective percentage of equity held by company	
	2022 %	2021 %
Sincere Watch Pty Ltd <sup>(c)</sup> Australia Marketing and distribution of watches (Connect National Audit, Australia)	100	100
Sincere Watch (India) Pte Ltd <sup>(c)</sup> India Dormant (Neeraj Agrawal & Co., India)	100	100
Pendulum Ltd <sup>(c)</sup> Thailand Retailing and distribution of watches and clocks (Deloitte & Touche LLP)	100	100

(a) Audited by RSM Chio Lim LLP.

(b) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(c) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(d) Not audited, as it is not material and not required to be audited under the relevant laws and regulations of its country of incorporation.

# Notes to the Financial Statements

31 MARCH 2022

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

There are subsidiaries that have non-controlling interests that are considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below.

	Group	
	2022	2021
	\$'000	\$'000
<u>Name of the subsidiary: Cortina Watch Sdn Bhd, Malaysia</u>		
1. NCI percentage of ownership and voting interest	10%	10%
2. The profit allocated to NCI of the subsidiary during the reporting year	1,090	624
3. Accumulated NCI of the subsidiary at the end of the reporting year	5,344	4,289
4. Dividends paid to NCI	-	981
5. The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and before inter-company eliminations) is as follows:		
Current assets	51,505	48,229
Non-current assets	23,628	11,168
Current liabilities	9,316	12,670
Non-current liabilities	12,375	3,838
Revenues	104,945	87,673
Profit for the reporting year	10,899	6,237
Total comprehensive income	10,899	6,237
Increase in operating cash flows	17,857	19,814
Net increase in cash flows	9,386	268
<u>Name of the subsidiary: Cortina Watch (Thailand) Co. Ltd, Thailand</u>		
1. NCI percentage of ownership and voting interest	30%	30%
2. The profit allocated to NCI of the subsidiary during the reporting year	3,964	2,644
3. Accumulated NCI of the subsidiary at the end of the reporting year	9,207	6,883
4. Dividends paid to NCI	1,242	659
5. The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and before inter-company eliminations) is as follows:		
Current assets	47,570	31,805
Non-current assets	2,480	4,306
Current liabilities	17,392	10,108
Non-current liabilities	1,976	3,058
Revenues	94,377	67,778
Profit for the reporting year	13,214	8,814
Total comprehensive income	13,214	8,814
Increase in operating cash flows	19,129	12,968
Net increase in cash flows	13,862	2,063

# Notes to the Financial Statements

31 MARCH 2022

## 19. ACQUISITION OF SUBSIDIARIES

On 16 March 2021 the group acquired 100% of the share capital of Sincere Watch Limited (“SWL”) (incorporated in Singapore) and from that date the group gained control over SWL. SWL and its subsidiaries and associated company became subsidiaries and associated company of the group (see Notes 18 and 20). The transaction was accounted for by the acquisition method of accounting.

The consideration transferred is as follows:

	2022 \$'000	2021 \$'000
<u>Consideration transferred:</u>		
Cash paid	84,695	80,309
Deferred consideration (Note 32)	–	4,386
Total consideration transferred	<u>84,695</u>	<u>84,695</u>

The deferred consideration of \$4,386,000 was paid in the reporting year ended 31 March 2022.

Management has since finalised the purchase price allocation exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition. Accordingly, as required by the financial reporting standard on business combinations, the comparative figures have been restated retrospectively as follows: - Increase/(decrease) in: consolidated statement of financial position.

	Pre-acquisition book values under SFRS(I) \$'000	Fair values used \$'000
<u>Group</u>		
Right-of-use assets	28,561	28,561
Property, plant and equipment	3,276	3,276
Investment in associates	935	935
Goodwill	434	–
Other intangible assets	136	1,363
Deferred tax assets	2,074	2,074
Inventories	94,979	94,979
Receivables	11,998	11,998
Cash and cash equivalents	25,999	25,999
Loans and borrowings	(20,906)	(20,906)
Lease liabilities	(28,916)	(28,916)
Payables	(32,094)	(32,094)
Provisions	(2,163)	(2,163)
Deferred tax liabilities	–	(231)
Net assets	<u>84,313</u>	<u>84,875</u>

# Notes to the Financial Statements

31 MARCH 2022

## 19. ACQUISITION OF SUBSIDIARIES (CONT'D)

### Acquisition-related cost:

The group incurred acquisition-related costs of \$1,805,000 in FY2021 (see Note 9).

### Goodwill arising on acquisition:

The goodwill arising on acquisition is as follows:

	<b>2021</b>
	<b>\$'000</b>
Consideration transferred (see above table)	84,695
Fair value of identifiable net assets acquired	<u>(84,875)</u>
Negative goodwill arising on acquisition	<u>(180)</u>

The excess of \$180,000 of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent consideration over the cost of the business combination has been recognised in the profit or loss. The management initially measured the separately recognisable identifiable assets acquired and the liabilities assumed as of the acquisition date in accordance with the requirements of financial reporting standard on business combinations. Management engaged an independent consultant to measure the fair values.

	<b>2021</b>
	<b>\$'000</b>
	<b>(Restated)</b>
<u>Net assets acquired:</u>	
Non-current assets	38,963
Current assets	104,223
Non-current liabilities	(22,617)
Current liabilities	(61,693)
Cash and bank balances	<u>25,999</u>
Net assets	84,875
Negative goodwill	<u>(180)</u>
Consideration paid	84,695
Less: Retention sum payable	(4,386)
Cash and bank balances acquired	<u>(25,999)</u>
Net cash outflow on acquisition of subsidiaries	<u>54,310</u>

# Notes to the Financial Statements

31 MARCH 2022

## 20. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Movements in carrying value:				
At beginning of the year	3,474	2,593	1,000	1,000
Arising from acquisition of subsidiaries	-	935	-	-
Share of profit/(loss) for the year	67	(54)	-	-
Foreign exchange adjustments	(47)	-	-	-
At end of the year	3,494	3,474	1,000	1,000
Carrying value:				
Unquoted equity shares at cost	1,125	1,125	1,000	1,000
Share of post-acquisition profits, net of dividends received	2,369	2,349	-	-
	3,494	3,474	1,000	1,000

The associates held by the company are listed below:

Name of associates, country of incorporation, place of operations and principal activities (and independent auditors)	Effective percentage of equity held by group	
	2022 %	2021 %
Montre Royale Distributors (Singapore) Pte Ltd <sup>(a)</sup> Singapore Dealers in watches	50	50
<u>Held through Montre Royale Distributors (Singapore) Pte Ltd</u> Societe Anonyme De La Montre Royale <sup>(b)</sup> Switzerland Commission agents and general trading (GF Audit S.A.)	50	50
<u>Held through Sincere Watch Limited</u> Pendulum Services Center Ltd <sup>(b)</sup> Thailand Watch repair services (SB Auditing Service Co, Ltd)	49	49

(a) Audited by RSM Chio Lim LLP.

(b) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

# Notes to the Financial Statements

31 MARCH 2022

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

These associates are not considered material to the reporting entity. The summarised financial information of these non-material associates and the aggregate amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associates are set out below.

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
<u>Aggregate for all non-material associates:</u>		
Assets	7,068	7,009
Liabilities	314	262
Revenue	976	–
Profit/(Loss) for the year and total comprehensive income	138	(108)

## 21. INTANGIBLE ASSETS

	<b>Distributorship</b>	<b>Favourable</b>	<b>Total</b>
	<b>agreement</b>	<b>lease</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<hr/>			
<b>Group</b>			
<u>Cost:</u>			
At 1 April 2020	–	–	–
Additions through business combination (Note 19)	1,288	75	1,363
At 31 March 2021 and 31 March 2022	1,288	75	1,363
<hr/>			
<u>Accumulated amortisation and impairment:</u>			
At 1 April 2020	–	–	–
Amortisation for the year	–	–	–
At 31 March 2021	–	–	–
Amortisation for the year	369	75	444
At 31 March 2022	369	75	444
<hr/>			
At 31 March 2021	1,288	75	1,363
At 31 March 2022	919	–	919

The intangible assets with finite useful lives are amortised in accordance with the contract terms.

# Notes to the Financial Statements

31 MARCH 2022

**22. OTHER ASSETS**

	Group	
	2022 \$'000	2021 \$'000
Deposits to secure services	9,323	9,801
Prepayments	244	-
	9,567	9,801

**23. INVENTORIES**

	Group	
	2022 \$'000	2021 \$'000
Finished goods		
- at cost	170,935	150,625
- at net realisable value	40,264	63,814
Total finished goods at lower of cost and net realisable value	211,199	214,439
Inventories are stated after allowance.		
Movements in allowance:		
Balance at beginning of the year	13,610	16,260
Charged to profit or loss included in changes in inventories of finished goods	2,238	(2,650)
Balance at end of the year	15,848	13,610
The write-downs of inventories charged to profit or loss included in other losses (Note 7)	2,176	760
Changes in inventories of finished goods - decrease/(increase)	3,240	(71,104)

# Notes to the Financial Statements

31 MARCH 2022

## 24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Trade receivables:</u>				
Outside parties	5,544	8,451	-	-
Subtotal	5,544	8,451	-	-
<u>Other receivables:</u>				
Subsidiaries (Note 3)	-	-	14,116	6,906
Associates (Note 3)	3	5	-	-
Other receivables	6,804	6,765	188	6
Subtotal	6,807	6,770	14,304	6,912
Total trade and other receivables	12,351	15,221	14,304	6,912

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

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

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

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 60 days (2021: 30 to 60 days). But some customers take a longer period to settle the amounts.

# Notes to the Financial Statements

31 MARCH 2022

**24. TRADE AND OTHER RECEIVABLES (CONT'D)**

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

	2022 \$'000	2021 \$'000
Top 1 debtor	3,151	4,345
Top 2 debtors	3,810	4,671
Top 3 debtors	4,403	4,811

**25. OTHER ASSETS**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deposits to secure services	459	189	100	-
Prepayments	3,774	3,536	563	23
	4,233	3,725	663	23

**26. CASH AND CASH EQUIVALENTS**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Not restricted in use	196,390	130,026	525	13,523
Restricted in use - Structured deposits	30,130	-	-	-
	226,520	130,026	525	13,523

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

**26A. Cash and cash equivalents in the Statement of cash flows:**

	Group	
	2022 \$'000	2021 \$'000
As shown above	226,520	130,026
Restricted in use - Structured deposits	(30,130)	-
Cash and cash equivalents for statement of cash flows purposes and at the end of the year	196,390	130,026

# Notes to the Financial Statements

31 MARCH 2022

## 26. CASH AND CASH EQUIVALENTS (CONT'D)

### 26B. Non-cash transactions:

Included in additions to property, plant and equipment, there were:

- (a) Amount of \$221,000 (2021: \$Nil) acquired by means of leases.
- (b) Amount of \$727,000 (2021: \$1,623,000) being provision for dismantling and removing items and restoring site relating to property, plant and equipment capitalised (Note 29).

Included in additions to right-of-use assets, there were:

- (c) Amount of \$31,886,000 (2021: \$63,503,000) acquired by means of leases.
- (d) Amount of \$584,000 (2021: \$Nil) being provision for dismantling and removing items and restoring site relating to right-of-use assets capitalised (Note 29).

### 26C. Reconciliation of liabilities arising from financing activities:

	2021 \$'000	Cash flows \$'000	Non-cash Changes \$'000		2022 \$'000
<b>Group</b>					
Other financial liabilities	37,934	9,050	-		46,984
Leases liabilities	98,295	(34,339)	33,628	(a)	97,584
Total liabilities from financing activities	136,229	(25,289)	33,628		144,568

(a) Acquisition and disposal of right-of-use assets and lease liabilities and foreign exchange movements.

	2020 \$'000	Cash flows \$'000	Non-cash Changes \$'000		2021 \$'000
<b>Group</b>					
Other financial liabilities	4,961	12,074	20,899	(a)	37,934
Leases liabilities	45,028	(19,242)	72,509	(b)	98,295
Total liabilities from financing activities	49,989	(7,168)	93,408		136,229

(a) Foreign exchange movements and balance arising from acquisition of subsidiaries.

(b) Acquisition and disposal of right-of-use assets and lease liabilities, Covid-19 related rent concession from lessors and foreign exchange movements.

# Notes to the Financial Statements

31 MARCH 2022

## 27. SHARE CAPITAL

	<b>Group and Company</b>	
	<b>Number of shares issued</b>	<b>Share capital S'000</b>
<u>Ordinary shares of no par value:</u>		
Balance at 1 April 2020, 31 March 2021 and 31 March 2022	165,578,415	35,481

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

In order to maintain its listing on the Singapore Stock Exchange, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

### **Capital management:**

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

# Notes to the Financial Statements

31 MARCH 2022

## 27. SHARE CAPITAL (CONT'D)

### Capital management: (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	2022 \$'000	2021 \$'000
Net debt:		
All current and non-current borrowings including leases	144,568	136,229
Less cash and cash equivalents	(196,390)	(130,026)
Net debt	(51,822)	6,203
Adjusted capital:		
Total equity	329,168	269,712
Debt-to-adjusted capital ratio	N.M.	2.3%

N.M. – Not meaningful as the total cash and cash equivalents is larger than borrowings.

## 28. OTHER RESERVES

	Group	
	2022 \$'000	2021 \$'000
Foreign currency translation reserve (Note 28A)	(1,025)	1,073
Statutory reserve (Note 28B)	1,381	1,367
Total at the end of the year	356	2,440

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

# Notes to the Financial Statements

31 MARCH 2022

## 28. OTHER RESERVES (CONT'D)

### 28A. Foreign currency translation reserve

	Group	
	2022 \$'000	2021 \$'000
At beginning of the year	1,073	3,182
Exchange differences on translating foreign operations	(2,098)	(2,109)
At end of the year	(1,025)	1,073

The foreign currency translation reserve accumulates all foreign exchange differences arising from the translation of financial statements of entities that are denominated in currencies other than the presentation currency of the company.

### 28B. Statutory reserve

	Group	
	2022 \$'000	2021 \$'000
At beginning of the year	1,367	522
Transferred from profit and loss	14	845
At end of the year	1,381	1,367

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

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

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

# Notes to the Financial Statements

31 MARCH 2022

## 29. PROVISIONS

	Group	
	2022	2021
	\$'000	\$'000
Provision for dismantling and removing (Note 29A)	3,406	3,534
Provision for employee benefit costs (Note 29B)	1,519	2,045
Total at the end of the year	4,925	5,579

### 29A. Provision for dismantling and removing

	Group	
	2022	2021
	\$'000	\$'000
Provision for dismantling and removing items and restoring site relating to property, plant and equipment:		
Movements in above provision:		
At beginning of the year	3,534	1,758
Additions	1,311	1,623
Reversed during the year	(1,428)	(666)
Arising from acquisition of subsidiaries	-	833
Foreign exchange adjustments	(11)	(14)
At end of the year	3,406	3,534

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased property. The estimate is based on quotations from external contractors. The unexpired terms range from 3 years to 5 years. The unwinding of discount is not significant.

# Notes to the Financial Statements

31 MARCH 2022

## 29. PROVISIONS (CONT'D)

### 29B. Provision for employee benefit costs

The group maintains defined benefit scheme for employees in Thailand. The scheme is valued by management at the end of each year.

	Group	
	2022 \$'000	2021 \$'000
At beginning of the year	2,045	572
Periodic benefit (reversal)/costs	(180)	131
Paid during the year	(252)	–
Arising from acquisition of subsidiaries	–	1,330
Foreign exchange adjustments	(94)	12
At end of the year	1,519	2,045

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

	Group	
	2022 \$'000	2021 \$'000
Discount rate (%)	ThaiBMA 2022	ThaiBMA 2021
Salary increase rate (%)	3.00% – 5.00%	3.00% – 9.16%
Employee turnover (%)	0% – 11.11%	4.41% – 7.92%
Mortality	105% of Thai mortality rate (TMO2017)	100% of Thai mortality rate (TMO2017)

The group has recorded provision for employee benefits as an expense in the statement of profit or loss in accordance with the terms outlined in the Labour Protection Act (No. 7), BE 2562 is announced in the Royal Gazette on 5 April 2021 to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, received severance payment of 400 days of wages in the most recent wage.

# Notes to the Financial Statements

31 MARCH 2022

## 30. FINANCIAL LIABILITIES – LEASE LIABILITIES

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Lease liabilities, current	27,194	28,840	12	64
Lease liabilities, non-current	70,390	69,455	–	12
	97,584	98,295	12	76

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The incremental borrowing rate applied to lease liabilities recognised is 2.26% to 6.34% (2021: 2.20% to 6.34%) per year.

	Group	
	2022 \$'000	2021 \$'000
Net book value of plant and equipment under lease liabilities	1,359	1,016
Net book value of right-of-use assets under lease liabilities	95,000	96,408

Certain obligations under leases of \$588,000 (2021: \$674,000) are secured by a legal charge over the leased assets.

# Notes to the Financial Statements

31 MARCH 2022

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

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Net book value of plant and equipment under lease liabilities	217	337

Certain obligations under leases of \$12,000 (2021: \$76,000) are secured by a legal charge over the leased assets.

Total cash outflows for leases of the group for the year ended 31 March 2022 are shown in the consolidated statement of cash flows. A summary of the maturity analysis of lease liabilities is disclosed in Note 37E.

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

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

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Retail outlets	–	2,884

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

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

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Expense relating to short-term leases and leases of low-value assets included in rental expenses	448	516
Expense relating to variable lease payments not included in lease liabilities included in rental expenses	6,343	2,078

# Notes to the Financial Statements

31 MARCH 2022

## 31. OTHER FINANCIAL LIABILITIES

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<hr/>		
<u>Non-current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan B (Note 31B)	12,500	–
Bank loan C (Note 31C)	13,000	–
	<hr/>	<hr/>
	25,500	–
<u>Current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan A (Note 31A)	–	19,380
Bank loan B (Note 31B)	8,333	–
Bank loan C (Note 31C)	8,000	–
Bills payable (Note 31D)	5,151	18,554
	<hr/>	<hr/>
	21,484	37,934
	<hr/>	<hr/>
Total current and non-current	46,984	37,934

The ranges of floating interest rate paid were as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
<hr/>		
Bank loans	1.68% to 1.71%	1.21% to 4.14%
Bills payable	1.24% to 4.0%	1.07% to 4.75%
	<hr/>	<hr/>

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# Notes to the Financial Statements

31 MARCH 2022

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

### 31A. Bank loan A

The bank loan pertains to working capital loans that were short term in nature repayable on demand. These loans were covered by a corporate guarantee from the company and a subsidiary. The loan has been repaid during the year.

The bank loans were at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

### 31B. Bank loan B

The bank loan pertains to working capital loans and repayable by equal quarterly instalment over three years from 16 August 2021. These loans are covered by a corporate guarantee from the company.

The bank loans are at floating rates of interest. The fair value (Level 2) was a reasonable approximation of the carrying amount due to their short term nature or that they were floating rate instruments that were frequently re-priced to market interest rates.

### 31C. Bank loan C

The bank loan pertains to working capital loans and repayable by equal quarterly instalment over three years from 24 September 2021. These loans are covered by a corporate guarantee from the company.

The bank loans are at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

### 31D. Bills payable to banks

The bills payable to banks are covered by corporate guarantees from the company and a subsidiary.

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# Notes to the Financial Statements

31 MARCH 2022

## 32. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	83,646	57,221	15,960	10,122
<u>Other payables:</u>				
Deferred consideration (Note 19)	-	4,386	-	4,386
Subsidiaries (Note 3)	-	-	82,487	77,061
Subtotal	83,646	4,386	82,487	81,447
Total trade and other payables	83,646	61,607	98,447	91,569

The deferred consideration was unsecured, interest free and paid during the year.

## 33. OTHER LIABILITIES

	Group	
	2022 \$'000	2021 \$'000
Deposits from customers – current	16,411	11,828
Deposits – non-current	190	-
Deposits from customers – non-current	5,167	2,213
	5,357	2,213

	Group	
	2022 \$'000	2021 \$'000
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting year:		
Expected to be recognised within 1 year	16,411	11,828
Expected to be recognised after 1 year but before 2 years	5,357	2,213
	21,768	14,041

# Notes to the Financial Statements

31 MARCH 2022

## 34. FORWARD CURRENCY CONTRACTS

	Principal \$'000	Reference currency	Maturity	Fair value gain (loss) \$'000
<u>2021:</u>				
Forward currency contracts	2,543	THB	April 2021	63

This includes the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

The fair value of the forward currency contracts are based on the current value of the difference between the contractual exchange rate and the market rate at the end of the reporting year (Level 2).

The fair values of forward currency contracts for reporting year ended 31 March 2021 were not recorded in the financial statements as they are not material.

## 35. CONTINGENT LIABILITIES

	Company	
	2022 \$'000	2021 \$'000
Corporate guarantee given to bank in favour of subsidiaries (Note 3) <sup>(a)</sup>	246,467	207,320
Unsecured bank guarantee issued in favour of third parties	12,032	5,003
Undertaking to support subsidiaries with deficits	86	86

There are also corporate guarantees given to banks by a subsidiary in favour of other subsidiaries amounting to \$10,269,000 (2021: \$32,586,000) as at end of the year.

(a) A fee is not charged for these corporate guarantees and not recorded at the company level as the amount of the charge involved is not significant. It has no effect at the group level.

# Notes to the Financial Statements

31 MARCH 2022

## 36. COMMITMENTS

### 36A. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Commitment for renovation of outlets	2,403	4,495	-	-
Commitment for purchase of plant and equipment	522	-	522	-
	2,925	4,495	522	-

### 36B. Purchases commitments

	Group	
	2022 \$'000	2021 \$'000
Within 1 year	43,884	42,855
2 to 5 years	152,572	171,420
After 5 years	-	21,428
	196,456	235,703

Pursuant to the acquisition of Sincere Watch Limited and its subsidiaries (see Note 19), the group acquired exclusive distribution agreements with a supplier, whereby the group is expected to make minimum purchases as shown above.

The supplier has the right to terminate the exclusive distribution agreements if the group fails to meet the minimum purchase requirements pursuant to the terms and conditions of the agreements.

# Notes to the Financial Statements

31 MARCH 2022

## 37. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

### 37A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	238,871	145,247	14,829	20,435
At end of the year	238,871	145,247	14,829	20,435
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	228,214	197,836	98,459	91,645
At end of the year	228,214	197,836	98,459	91,645

Further quantitative disclosures are included throughout these financial statements.

### 37B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

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# Notes to the Financial Statements

31 MARCH 2022

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

### 37C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### 37D. Credit risk on financial assets

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

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

# Notes to the Financial Statements

31 MARCH 2022

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

### 37E. Liquidity risk – financial liabilities maturity analysis

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

	Less than 1 year \$'000	2 - 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Group</b>				
<u>Non-derivative financial liabilities:</u>				
<u>2022:</u>				
Gross borrowings commitments	26,655	21,323	–	47,978
Gross lease liabilities	30,503	69,828	3,153	103,484
Trade and other payables	83,646	–	–	83,646
At end of the year	140,804	91,151	3,153	235,108
<u>2021:</u>				
Gross borrowings commitments	39,009	–	–	39,009
Gross lease liabilities	31,357	66,278	6,989	104,624
Trade and other payables	61,607	–	–	61,607
At end of the year	131,973	66,278	6,989	205,240
	Less than 1 year \$'000	2 - 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Company</b>				
<u>Non-derivative financial liabilities:</u>				
<u>2022:</u>				
Gross lease liabilities	12	–	–	12
Trade and other payables	98,447	–	–	98,447
At end of the year	98,459	–	–	98,459
<u>2021:</u>				
Gross lease liabilities	66	12	–	78
Trade and other payables	91,569	–	–	91,569
At end of the year	91,635	12	–	91,647

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

# Notes to the Financial Statements

31 MARCH 2022

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

### 37E. Liquidity risk – financial liabilities maturity analysis (cont'd)

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

	Less than 1 year \$'000	Total \$'000
<b>Group</b>		
<u>Derivative financial liabilities:</u>		
2021:		
Forward currency contracts	2,543	2,543
At end of the year	2,543	2,543

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Financial guarantee contracts - For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable (See Note 35).

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 90 days (2021: 30 to 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments the operating activity and undrawn borrowing facilities are expected to generate sufficient cash inflows.

	Group	
	2022 \$'000	2021 \$'000
<u>Bank Facilities:</u>		
Undrawn borrowing facilities	172,274	202,640

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

# Notes to the Financial Statements

31 MARCH 2022

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

### 37F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Financial liabilities:</u>				
Fixed rate	97,584	98,295	12	76
Floating rate	46,984	37,934	-	-
At end of the year	144,568	136,229	12	76

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the relevant notes.

Sensitivity Analysis:

	Group	
	2022 \$'000	2021 \$'000
<u>Financial liabilities:</u>		
A hypothetical variation in interest rates by 50 basis points with all other variables held constant, would have an increase/decrease in pre-tax profit for the year by	235	190

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

In management's opinion, the above effective interest rates are unrepresentative of the inherent interest risks as the historical exposure does not reflect the exposure in the future.

The effect on pre-tax profit is not significant for the company.

# Notes to the Financial Statements

31 MARCH 2022

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

### 37G. Foreign currency risks

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

Analysis of significant amounts denominated in non-functional currencies of respective entities in the group:

	Singapore Dollars \$'000	Swiss Franc \$'000	Malaysia Ringgit \$'000	Others \$'000	Total \$'000
<b>Group</b>					
<u>2022:</u>					
<u>Financial assets:</u>					
Cash	2,414	4,774	13	5	7,206
Loans and receivables	30	437	–	–	467
Total financial assets	2,444	5,211	13	5	7,673
<u>Financial liabilities:</u>					
Trade and other payables	2,614	34,035	–	–	36,649
Total financial liabilities	2,614	34,035	–	–	36,649
Net financial (liabilities)/assets at end of the year	(170)	(28,824)	13	5	28,976
<u>2021:</u>					
<u>Financial assets:</u>					
Cash	1,521	775	14	8	2,318
Loans and receivables	32	177	–	–	209
Total financial assets	1,553	952	14	8	2,527
<u>Financial liabilities:</u>					
Trade and other payables	3,868	18,704	–	92	22,664
Total financial liabilities	3,868	18,704	–	92	22,664
Net financial (liabilities)/assets at end of the year	(2,315)	(17,752)	14	(84)	(20,137)

There is exposure to foreign currency risk as part of its normal business activities.

# Notes to the Financial Statements

31 MARCH 2022

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

### 37G. Foreign currency risks (cont'd)

	2022 \$'000	2021 \$'000
A hypothetical 10% strengthening in exchange rate of functional currency \$ against Swiss Franc with all other variables held constant would have a favourable effect on post-tax profit of:	2,882	1,775

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

The company does not have any financial assets and financial liabilities amounts denominated in non-functional currency.

## 38. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

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

SFRS (I) No.	Title
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments
	The Conceptual Framework for Financial Reporting
SFRS (I) 16	Covid-19 Related Rent Concessions - Amendment (The 2021 amendment extends the limit from 30 June 2021 to 30 June 2022)

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

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

# Notes to the Financial Statements

31 MARCH 2022

## 39. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE (CONT'D)

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS (I) 1-8	Definition of Accounting Estimates – Amendments	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments	1 January 2023
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments	1 January 2022
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments	1 January 2022
SFRS (I) 3	Definition of a Business - Reference to the Conceptual Framework – Amendments	1 January 2022
Various	Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Various	Annual Improvements to FRSs 2018-2020	1 January 2022

## 40. RESTATEMENT OF COMPARATIVE FIGURES

The group finalised the purchase price allocation exercise for the acquisition of Sincere Watch Limited and its subsidiaries and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition (see Note 19). Accordingly, as required by the financial reporting standard on business combinations, the comparative figures have been restated retrospectively as follows:

	Before restatement \$'000	Restatement \$'000	After restatement \$'000
<u>Statement of profit or loss</u>			
<u>for the year ended 31 March 2021</u>			
Other income and gains	9,158	180	9,338
<u>Statement of financial position</u>			
<u>as at 31 March 2021</u>			
<u>Non-current assets</u>			
Goodwill	952	(952)	–
Intangible assets	–	1,363	1,363
<u>Non-current liabilities</u>			
Deferred tax liabilities	–	231	231

As permitted by the financial reporting standard on the presentation of financial statements the third statement of financial position at the beginning the preceding reporting year is not presented because above splits or regrouping have no material effect on the information in the statement of financial position at the beginning of the preceding period.

# Shareholding Statistics

as at 13 June 2022

Number of issued Shares	:	165,578,415
Number of treasury shares	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	2	0.46	52	0.00
100 – 1,000	94	21.66	64,500	0.04
1,001 – 10,000	253	58.29	1,084,600	0.66
10,001 – 1,000,000	71	16.36	4,220,608	2.55
1,000,001 and above	14	3.23	160,208,655	96.76
<b>Total</b>	<b>434</b>	<b>100.00</b>	<b>165,578,415</b>	<b>100.00</b>

No.	Name	No. of Shares	%
1	LIM KEEN BAN HOLDINGS PTE LTD	52,657,490	31.80
2	HENRY TAY YUN CHWAN	21,038,700	12.71
3	MING YAW PTE LTD	18,203,935	10.99
4	RAFFLES NOMINEES(PTE) LIMITED	12,435,700	7.51
5	YU CHUEN TEK	8,835,015	5.34
6	RENNICK PTE LTD	7,310,000	4.41
7	FOO SEE JIN MICHAEL	7,107,320	4.29
8	YU LEE CHIUN	6,880,010	4.16
9	YU YUNG TEK	6,880,010	4.16
10	CITIBANK NOMS SPORE PTE LTD	4,680,640	2.83
11	PHILLIP SECURITIES PTE LTD	4,037,800	2.44
12	LONG FOO PIENG	3,750,000	2.26
13	DBS NOMINEES PTE LTD	3,621,400	2.19
14	LONG AH HIAN	2,770,635	1.67
15	HUI YI WAN	600,000	0.36
16	CHEAH YOK KIAN	350,000	0.21
17	PATRICK NG BEE SOON	250,000	0.15
18	TAN SOO YONG	250,000	0.15
19	LOH YONG HUAT	200,000	0.12
20	JEREMY TAN JUN DA	188,200	0.11
	<b>Total</b>	<b>162,046,855</b>	<b>97.86</b>

# Shareholding Statistics

as at 13 June 2022

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 13 June 2022, approximately 22.05% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

## SUBSTANTIAL SHAREHOLDERS

	Direct Interests		Deemed interests	
	No. of Shares	%	No. of Shares	%
Lim Keen Ban Holdings Pte Ltd	52,657,490	31.80	-	-
LKB Private Trust Company Limited <sup>(1)</sup>			52,657,490	31.80
Lim Keen Ban <sup>(2)(3)</sup>	-	-	70,861,425	42.80
Chia Nyok Song@Cheah Yoke Heng <sup>(2)(3)</sup>	-	-	70,861,425	42.80
Lim Jit Ming <sup>(2)</sup>	-	-	52,657,490	31.80
Lim Jit Yaw <sup>(2)(3)</sup>	-	-	70,861,425	42.80
Lim Yin Chian <sup>(2)(3)</sup>	-	-	70,861,425	42.80
Henry Tay Yun Chwan	21,038,700	12.71	-	-
Ming Yaw Pte Ltd	18,203,935	10.99	-	-
Yu Chuen Tek <sup>(4)</sup>	8,835,015	5.34	7,428,000	4.49
Maria Norma D Yu <sup>(4)</sup>	118,000	0.07	16,145,015	9.75

### Notes:

- (1) LKB Private Trust Company Limited ("PTC") is trustee of a trust constituted by Mr Lim Keen Ban, Mdm Chia Nyok Song@Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian which holds all the shares in Lim Keen Ban Holdings Pte Ltd and is deemed to be interested in the shares in the Company held by Lim Keen Ban Holdings Pte Ltd.
- (2) Mr Lim Keen Ban, Mdm Chia Nyok Song@Cheah Yoke Heng, Mr Lim Jit Ming, Mr Lim Jit Yaw and Ms Lim Yin Chian are deemed interested in the 52,657,490 shares held by Lim Keen Ban Holdings Pte Ltd. through PTC.
- (3) In addition, Mr Lim Keen Ban, Mdm Chia Nyok Song@Cheah Yoke Heng, Mr Lim Jit Yaw and Ms Lim Yin Chian are deemed to be interested in the 18,203,935 shares held by Ming Yaw Pte Ltd.
- (4) Mr Yu Chuen Tek is the spouse of Mdm Maria Norma D Yu. Both jointly owned Rennick Pte Ltd. Mr Yu Chuen Tek is deemed to be interested in the 118,000 shares held by Mdm Maria and 7,310,000 shares held by Rennick Pte Ltd. Mdm Maria is deemed to be interested in the 8,835,015 shares held by Mr Yu and 7,310,000 shares held by Rennick Pte Ltd.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Cortina Holdings Limited will be held by electronic means on Friday, 29 July 2022 at 10.00 a.m. to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors' Statement for the financial year ended 31 March 2022 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a one-tier tax exempt dividend of 2 cents per share, a special one-tier tax exempt dividend of 5 cents per share and a special 50th anniversary one-tier tax exempt dividend of 5 cents per share for the financial year ended 31 March 2022 (2021: a final one-tier tax exempt dividend of 2 cents per share and a special one-tier tax exempt dividend of 4.5 cents per share). **(Resolution 2)**
3. To approve special Directors' Fee of S\$205,000 for the financial year ended 31 March 2022. **(Resolution 3)**  
**(See Explanatory Note 1)**
4. To approve the Directors' Fee of S\$725,875 for the financial year ending 31 March 2023 (2022: S\$709,406). **(Resolution 4)**
5. To re-elect the following Directors who will retire by rotation pursuant to Article 91 of the Company's Constitution and whom being eligible, are offering themselves for re-election:
  - (i) Mr Lim Keen Ban **(Resolution 5)**
  - (ii) Mr Lim Jit Yaw **(Resolution 6)**
  - (iii) Mr Chuang Keng Chiew **(Resolution 7)****(See Explanatory Note 2)**
6. To re-elect Ms Tan Siew San, a Director retiring pursuant to Article 97 of the Company's Constitution and being eligible is offering herself for re-election. **(Resolution 8)**  
**(Explanatory Note 2)**
7. To re-appoint RSM Chio Lim LLP as Auditors of the Company to hold office until the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

### 8. Authority to allot and issue shares

"That, pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to:

- (a) (i) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

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# Notice of Annual General Meeting

- (b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:
- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
    - (A) new shares arising from the conversion or exercise of convertible securities, and
    - (B) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and
    - (C) any subsequent bonus issue, consolidation or subdivision of the Company's shares,and adjustments in accordance with (A) or (B) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution, and
  - (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”  

**(Resolution 10)**  
**(See Explanatory Note 3)**

## ANY OTHER BUSINESS

8. To transact any other business that may be properly transacted at an Annual General Meeting.

## BY ORDER OF THE BOARD

Foo Soon Soo  
Company Secretary

12 July 2022

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# Notice of Annual General Meeting

## Explanatory Notes

1. **Resolution 3** is to approve special Directors' fee of S\$205,000 to the Non-Executive and Independent Directors ("IDs") for the financial year ended 31 March 2022. This quantum of Directors' fee is in addition to the Directors' fee of S\$709,406 payable to all the Directors of the Company, approved at the last Annual General Meeting of the Company held on 26 August 2021.

The special Directors' fee of S\$205,000 is in respect of the tremendous amount of time and effort expended by the IDs following the takeover of the management and control of Sincere Watch Limited and its subsidiaries ("SWL group") post-acquisition. The IDs were actively involved in the review of internal controls and risk management systems, the IT systems, the business and marketing strategies, and the maintenance of the financial and operating data of the SWL group. The IDs also sought to have the high standards of corporate governance committed by the Board to be similarly applied and committed by the management of the newly acquired SWL companies, and for the initiation of communication channels facilitating Cortina Management to reach out to the management and staff of the newly acquired companies.

The Board appreciates the diligence of the IDs and the importance of ensuring from the onset that appropriate work is done for the purpose of mapping the integration of systems and procedures as well as business and marketing strategies for both groups, to achieve synergies which enhance the business of the Cortina Group.

2. Mr Lim Keen Ban will, upon being re-elected as a Director of the Company, remain as Executive Chairman of the Company.

Mr Lim Jit Yaw will, upon being re-elected as a Director of the Company, remain as Executive Director and Chief Operating Officer of the Company, and Chief Executive Officer of Cortina Watch Pte Ltd.

Mr Chuang Keng Chiew will, upon being re-elected as a Director of the Company, remain as Chairman of the Nominating Committee and member of the Audit and Remuneration Committees.

Ms Tan Siew San will, upon being re-elected as a Director of the Company, remain as member of the Audit and Nominating Committees.

Mr Chuang Keng Chiew and Ms Tan Siew San are considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Detailed information on Mr Lim Keen Ban, Mr Lim Jit Yaw, Mr Chuang Keng Chiew and Ms Tan Siew San can be found under the "Board of Directors" section in the Company's Annual Report 2022.

3. **Resolution 10**, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the Resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company for this purpose shall be the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this Resolution is passed and any subsequent bonus issues, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.
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# Notice of Annual General Meeting

## NOTES:

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

## Live Webcast:

2. Shareholders (including investors holding shares through Central Provident Fund (“CPF”) and Supplementary Retirement Scheme (“SRS”) may watch the AGM proceedings through the Live AGM Webcast by registering at <https://complete-corp.com/cortina-agm/> (the “**Registration Link**”) by 10.00 a.m. on 26 July 2022 (the “**Registration Deadline**”) to enable the Company to verify their status.
3. Following verification, authenticated shareholders will receive an email by 10.00 a.m. on 28 July 2022 containing a link to access the live audio-visual webcast of the AGM proceedings.
4. Shareholders must not forward the abovementioned link to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.
5. Shareholders who register by the Registration Deadline but do not receive an email response by 10.00 a.m. on 28 July 2022 may contact the Company by email to [cortina-agm@complete-corp.com](mailto:cortina-agm@complete-corp.com).

## Submission of Proxy Forms to Vote:

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

**by no later than 10.00 a.m. on 27 July 2022, being 48 hours before the time fixed for the AGM.**

8. CPF or SRS investors who wish to vote should approach their respective CPF Agent Bank or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 19 July 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
  9. **Please note that shareholders will not be able to vote through the live webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**
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# Notice of Annual General Meeting

## Submission of Questions:

Shareholders may submit questions relating to the items on the agenda of the AGM to cortina-agm@complete-corp.com stating their names and identification number for verification. All questions must be submitted by 10.00 a.m. on 20 July 2022.

10. The Company will endeavour to address the substantial and relevant questions submitted by shareholders and post the answers to such questions on SGXNET by 10.00 a.m. on 25 July 2022. The minutes of the AGM, will be posted on the SGXNet and the Company's website within one month after the date of the AGM.

## PERSONAL DATA PRIVACY:

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

## NOTICE OF BOOKS CLOSURE DATE

**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and Register of Members of the Cortina Holdings Limited (the "**Company**") will be closed on 10 August 2022 after 5:00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 24 Raffles Place, #07-07, Clifford Centre, Singapore 048621 up to 5.00 p.m. on 10 August 2022 will be registered to determine shareholders' entitlements to the proposed final dividend, special dividend and special 50th anniversary dividend (collectively, the "Proposed Dividends"). Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 10 August 2022 will be entitled to the Proposed Dividends.

The Proposed Dividends, if approved by shareholders at the Annual General Meeting to be held on 29 July 2022 will be paid on 19 August 2022.

## BY ORDER OF THE BOARD

Foo Soon Soo  
Company Secretary

12 July 2022

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# Corporate Listings

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## CORPORATE OFFICE

### Cortina Holdings Limited

391B Orchard Road  
#18-01, Ngee Ann City Tower B  
Singapore 238874  
Tel: (65) 6339 9447  
Fax: (65) 6336 4939

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## SINGAPORE

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### OFFICE

#### Cortina Watch Pte Ltd

391B Orchard Road  
#18-01, Ngee Ann City Tower B  
Singapore 238874  
Tel: (65) 6339 9447  
Fax: (65) 6336 4939 / 6336 7913  
[www.cortinawatch.com](http://www.cortinawatch.com)  
[www.cortinawatch.online](http://www.cortinawatch.online)

#### Sincere Watch Limited

391B Orchard Road  
#21-01, Ngee Ann City Tower B  
Singapore 238874  
Tel: (65) 6737 4592  
Fax: (65) 6235 0172 / 6733 0923  
[www.sincere.com.sg](http://www.sincere.com.sg)  
[www.sincerewatch.com](http://www.sincerewatch.com)

#### Franck Muller Pte Ltd

391B Orchard Road  
#21-03, Ngee Ann City Tower B  
Singapore 238874  
Tel: (65) 6317 2938  
Fax: (65) 6884 6751

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### DISTRIBUTION DIVISION

#### Chronoswiss Asia Pte Ltd

391B Orchard Road  
#21-02, Ngee Ann City Tower B  
Singapore 238874  
Tel: (65) 6339 9447  
Fax: (65) 6271 4711

#### Pacific Time Pte Ltd

391B Orchard Road  
#21-02, Ngee Ann City Tower B  
Singapore 238874  
Tel: (65) 6339 9447  
Fax: (65) 6271 4711

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# Corporate Listings

## SINGAPORE

### MULTI-BRANDS

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

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

**Cortina Watch  
Paragon**  
290 Orchard Road  
#01-12,13/14/15/16  
Singapore 238859  
Tel: (65) 6235 0084  
Fax: (65) 6738 1641

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

**Sincere Fine Watches  
Jewel Changi Airport**  
78 Airport Boulevard  
#01-202/203  
Singapore 819666  
Tel: (65) 6245 9348  
Fax: (65) 6214 3564

**Sincere Fine Watches  
Takashimaya S.C.**  
391 Orchard Road  
#01-12  
Singapore 238872  
Tel: (65) 6733 0618  
Fax: (65) 6235 1204

**Sincere Fine Watches  
Suntec City Mall**  
3 Temasek Boulevard  
#01-352 /356/358/360  
Singapore 038983  
Tel: (65) 6337 5150  
Fax: (65) 6336 5296

**Sincere Fine Watches  
The Shoppes At Marina Bay Sands**  
2 Bayfront Avenue  
#B2M-202/203  
Singapore 018972  
Tel: (65) 6634 9782  
Fax: (65) 6688 7563

### SPECIALIST

**Patek Philippe  
by Cortina Watch  
ION Orchard**  
2 Orchard Turn  
#02-01/02/03  
Singapore 238801  
Tel: (65) 6509 9238  
Fax: (65) 6509 9239

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

**Franck Muller  
by Sincere Watch  
The Shoppes At Marina Bay Sands**  
2 Bayfront Avenue  
#01-55/55A  
Singapore 018972  
Tel: (65) 6634 8825  
Fax: (65) 6634 8845

**Franck Muller  
by Sincere Watch  
ION Orchard**  
Orchard Turn  
#02-07A  
Singapore 238801  
Tel: (65) 6970 2655  
Fax: (65) 6970 0965

# Corporate Listings

## MALAYSIA

### OFFICE

#### Cortina Watch Sdn Bhd

Suite 2206, 22nd Floor  
MailBox: CP31, Wisma Chuang  
No. 34 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
Tel: (603) 2148 8354 / 2148 2814  
Fax: (603) 2145 1866

#### Sincere Watch Sdn Bhd

Suite 15-3, Level 15 Wisma UOA II  
21 Jalan Pinang  
50450 Kuala Lumpur  
Malaysia  
Tel: (603) 2168 2700  
Fax: (603) 2168 2701

### MULTI-BRANDS

#### Cortina Watch

##### Fahrenheit 88

G03, Ground Floor  
Fahrenheit 88  
No. 179 Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (603) 2142 1196 / 2142 1171  
Fax: (603) 2142 1172

#### Cortina Watch

##### Imago Shopping Mall

Lot G-08, G-09 & G-10A  
Imago Shopping Mall  
KK Times Square Phase 2  
Off Coastal Highway  
88100 Kota Kinabalu, Sabah  
Malaysia  
Tel: (608) 8277 818 / 8277 218  
Fax: (608) 8277 318

#### Cortina Watch

##### The Starhill

UG29, Upper Ground Floor  
Starhill Gallery  
No. 181 Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (603) 2144 1188 / 2144 2188  
Fax: (603) 2144 3188

#### Cortina Watch

##### Suria KLCC

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

#### Cortina Watch

##### Gurney Plaza

170-G-02, Ground Floor  
Plaza Gurney, Persiaran Gurney  
10250 Penang  
Malaysia  
Tel: (604) 227 1026 / 227 1239  
Fax: (604) 227 0871

#### Sincere Fine Watches

##### Pavilion Kuala Lumpur

Lot 2.09.01A, Level 2  
168 Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (603) 2141 8418  
Fax: (603) 2141 8419

#### Sincere Fine Watches

##### Suria KLCC

Lot G03M-P, Ground Floor, Suria KLCC  
Kuala Lumpur City Centre  
50088 Kuala Lumpur  
Malaysia  
Tel: (603) 2166 2181  
Fax: (603) 2166 2182

# Corporate Listings

## MALAYSIA

### SPECIALIST

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

**Rolex  
by Cortina Watch  
The Starhill**  
UG30, Upper Ground Floor  
Starhill Gallery  
No. 181 Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (603) 2144 1811 / 2144 3811  
Fax: (603) 2144 1899

**Patek Philippe  
by Cortina Watch  
JW Marriott**  
LL1, Main Lobby  
JW Marriott Hotel Kuala Lumpur  
No. 183, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (603) 2144 7833  
Fax: (603) 2144 7877

**TAG Heuer  
by Cortina Watch  
Suria KLCC**  
Lot 105B, First Floor, Suria KLCC  
Kuala Lumpur City Centre  
50088 Kuala Lumpur  
Malaysia  
Tel: (603) 2164 2118  
Fax: (603) 2164 4118

**A. Lange & Söhne  
by Sincere Watch  
Suria KLCC**  
Lot G03L, Ground Floor, Suria KLCC  
Kuala Lumpur City Centre  
50088 Kuala Lumpur  
Malaysia  
Tel: (603) 2181 6868  
Fax: (603) 2181 2000

**Franck Muller  
by Sincere Watch  
Pavilion Kuala Lumpur**  
Lot 2.09.01 Level 2  
168 Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia  
Tel: (603) 2141 5410  
Fax: (603) 2141 5413

## THAILAND

### OFFICE

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

**Pendulum Ltd.**  
518/5 Maneeya Center, 9/F  
Ploenchit Road, Patumwan,  
Lumpini, Bangkok 10330  
Thailand  
Tel: (66) 2254 8371  
Fax: (66) 2254 8370

### MULTI-BRANDS

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

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

**Pendulum  
Central Festival Chiangmai**  
Unit 135/1-2, 1/F, 99-99/ 1-2 Moo 4  
Faham Muang Chiangmai  
Chiangmai 50000  
Thailand  
Tel: (66) 5200 1295  
Fax: (66) 5200 1298

**Pendulum  
Central World**  
Unit A105, 1/F, 4,4/1-4/2,4/4  
Rajdamri Road, Patumwan Bangkok  
10330  
Thailand  
Tel: (66) 2252 4494  
Fax: (66) 2252 4492

# Corporate Listings

## THAILAND

### MULTI-BRANDS

#### Pendulum

##### Siam Paragon

Unit M 24-25, M/F, 991 Rama 1 Road, Patumwan Bangkok 10330 Thailand

Tel: (66) 2610 9423

Fax: (66) 2610 9424

### SPECIALIST

#### Franck Muller

##### by Pendulum

##### Siam Paragon

Unit M 24-25, M/F, 991 Rama 1 Road, Patumwan Bangkok 10330 Thailand

Tel: (66) 2610 9426

Fax: (66) 2610 9424

#### Panerai

##### by Pendulum

##### Siam Paragon

Unit M 24-25, M/F, 991 Rama 1 Road, Patumwan Bangkok 10330 Thailand

Tel: (66) 2610 9290

Fax: (66) 2610 9424

#### Breitling

##### by Pendulum

##### Siam Paragon

Unit 252, 2/F, 991 Rama 1 Road, Patumwan, Bangkok 10330 Thailand

Tel: (66) 2481 9260

#### Breitling

##### by Pendulum

##### Siam Premium Outlets

Unit G12B, G/F, 989 Moo 14, Bang Sao Thong, Bang Sao Thong, Samutprakarn 10570 Thailand

Tel: (66) 2022 0292

## TAIWAN

### OFFICE

#### Cortina Watch TW Pte Ltd

9F, No. 97, Songren Road, Xinyi District, Taipei City 110 Taiwan, Republic of China

Tel: (886) 2 8780 5088

Fax: (886) 2 8780 2090

### MULTI-BRANDS

#### Cortina Watch

##### Hotel Royal Nikko Taipei

No. 37-1, Section 2 Zhongshan North Road, Taipei City 104 Taiwan, Republic of China

Tel: (886) 2 2563 3538

Fax: (886) 2 2563 7698

#### Cortina Watch

##### E Sky Mall

1F, No.115, Dashun 1st Road Kaohsiung City 804 Taiwan, Republic of China

Tel: (886) 7 556 6738

Fax: (886) 7 556 6737

### SPECIALIST

#### Patek Philippe

##### by Cortina Watch

##### Taipei 101 Mall

2F, No. 45, Shifu Road, Taipei City 110 Taiwan, Republic of China

Tel: (886) 2 8101 8201

Fax: (886) 2 8101 8222

#### IWC

##### by Cortina Watch E Sky Mall

1F, No.115, Dashun 1st Road Kaohsiung City 804 Taiwan, Republic of China

Tel: (886) 7 556 1378

Fax: (886) 7 556 1365

#### Panerai

##### by Cortina Watch E Sky Mall

1F, No.115, Dashun 1st Road Kaohsiung City 804 Taiwan, Republic of China

Tel: (886) 7 556 1538

Fax: (886) 7 556 1535

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# Corporate Listings

## HONG KONG

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### OFFICE

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

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### SPECIALIST

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

## INDONESIA

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### SPECIALIST

**Patek Philippe  
by Cortina Watch  
Plaza Indonesia**  
Level 1, #34-38  
Jalan M.H. Thamrin Kav 28 - 30  
Jakarta 10350  
Indonesia  
Tel: (6221) 2992 4555  
Fax: (6221) 2992 4333

## AUSTRALIA

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### SPECIALIST

**Franck Muller  
by Sincere Watch**  
119 COLLINS STREET  
Melbourne, Victoria 3000 Australia  
Tel: (613) 9650 0288  
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# CORTINA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Registration No. 197201771W

## Proxy Form ANNUAL GENERAL MEETING

### IMPORTANT

1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967, including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on 19 July 2022.) Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

### PERSONAL DATA PRIVACY

2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 July 2022.

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

of \_\_\_\_\_

being \*a member/members of Cortina Holdings Limited (the “**Company**”), hereby appoint the Chairman of the Annual General Meeting (“**AGM**”) of the Company as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on Friday, 29 July 2022 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM in the spaces provided hereunder.

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

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

No.	Ordinary Resolutions	No. of Votes or to indicate with a tick [✓] or cross (x) <sup>1</sup>		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1.	To receive and adopt the Audited Financial Statements of the Company			
2.	To approve final, special and special 50 <sup>th</sup> anniversary dividends for the financial year ended 31 March 2022			
3.	To approve special Directors’ fee for the financial year ended 31 March 2022			
4.	To approve Directors’ fee for the financial year ending 31 March 2023			
5.	To re-elect Mr Lim Keen Ban as Director			
6.	To re-elect Mr Lim Jit Yaw as Director			
7.	To re-elect Mr Chuang Keng Chiew as Director			
8.	To re-elect Ms Tan Siew San as Director			
9.	To re-appoint RSM Chio Lim LLP as Auditors of the Company			
	<b>Special Business</b>			
10.	To authorize Directors to issue and allot shares pursuant to Section 161 of the Companies Act 1967			

<sup>1</sup> All resolutions would be put to vote by poll in accordance with the listing rules of Singapore Exchange Securities Limited.

Please tick “✓” or cross (x) or indicate the number of votes within the box provided. A tick or cross would represent you are exercising all your votes “For” or “Against” or “Abstain” from voting on the relevant resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

**Total Number of Shares Held**

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



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

**NOTES:**

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

**In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
4. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument of proxy lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
5. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
6. Personal data privacy: By submitting this instrument of proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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

# Corporate Information

## BOARD OF DIRECTORS

**Mr Lim Keen Ban, Anthony**  
Executive Chairman

**Mr Lim Jit Ming, Raymond**  
Executive Director & Group CEO

**Mr Yu Chuen Tek, Victor**  
Executive Director &  
Chief Corporate Affair Officer

**Mr Lim Jit Yaw, Jeremy**  
Executive Director  
COO of Cortina Holdings Limited  
CEO of Cortina Watch Pte Ltd

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

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

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

**Mr Chuang Keng Chiew**  
Independent Director

**Ms Tan Siew San**  
Independent Director

## COMPANY SECRETARIES

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

**Ms Sapphira Low Bing Yoke**  
ACIS

## AUDIT COMMITTEE

**Mr Chin Sek Peng, Michael**  
Chairman

**Mr Lau Ping Sum, Pearce**

**Mr Chuang Keng Chiew**

**Ms Tan Siew San**

## REMUNERATION COMMITTEE

**Mr Lau Ping Sum, Pearce**  
Chairman

**Mr Foo See Jin, Michael**

**Mr Chuang Keng Chiew**

## NOMINATING COMMITTEE

**Mr Chuang Keng Chiew**  
Chairman

**Mr Lau Ping Sum, Pearce**

**Mr Chin Sek Peng, Michael**

**Ms Tan Siew San**

## REGISTERED OFFICE

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

## REGISTRAR AND SHARE TRANSFER OFFICE

**KCK CorpServe Pte Ltd**  
24 Raffles Place  
#07-07 Clifford Centre  
Singapore 048621

Person-in-charge:  
Ms Foo Soon Soo

## AUDITORS

**RSM Chio Lim LLP**  
8 Wilkie Road #03-08  
Wilkie Edge  
Singapore 228095  
Partner-in-charge:

Mr David Eu  
(a member of the Institute of  
Singapore Chartered  
Accountants)  
Year of Appointment:  
Reporting year ended  
31 Mar 2022



## Cortina Holdings Limited

391B Orchard Road #18-01 Ngee Ann City Tower B Singapore 238874

Tel: (65) 6339 9447 Fax: (65) 6336 4939 [www.cortina.com.sg](http://www.cortina.com.sg)

Co. Reg. No. 197201771W