



SIAAS



# Annual Report

2015/2016





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# President's Message



Dear Members

This is the first full year result with SIAS as a Charity. We also attained our status as an Institution of Public Character in August 2015 making it possible for donors to now obtain tax deductions of 250% on their donation amount. We have been fortunate that more donors have come forward to support SIAS to donate to our cause to educate, protect and empower investors.

## **Extending our reach into the community**

SIAS has been actively working with Peoples' Association (PA) on the Understanding Money series with the emphasis on educating the elderly to help them avoid financial abuse. Thus far 25 events across 12 Community Centres have been organised. We are indeed honoured that for our work with PA, SIAS has been recognised with the Merit Award for the PA Community Spirit Award.

We also continue to advance our investor education programmes to cover all levels and segments of the community from university students to retirees through physical and online education. SIAS has served over 150,000 citizens who have attended 1129 SIAS investor education programmes since 2000.

We will continue with our effort to track corporate governance practices in listed companies and to raise the quality of meetings.

A recent FPSB-GfK Global Survey highlighted that:

- Only one in eight (13 per cent) Singaporeans feels strongly confident that he will achieve his financial life goals and one in ten (11 per cent) feels very knowledgeable about financial matters, compared with 22 per cent and 17 per cent respectively among global respondents.
- The majority of global and Singaporean consumers lack a comprehensive written financial plan. Only a third (33 per cent) of Singapore respondents have one, half (49 per cent) do not and a fifth (18 per cent) are not sure.

We, therefore, have a long way to go to help prepare Singaporeans for their financial future. With many Singaporeans living longer and leading more active lifestyles, we should plan on a longer retirement and while many may choose to continue working, it would be ideal if they have the choice to take it easy and enjoy their golden years. We can only do this if they have adequately planned and invested their savings.

### Raising Accountability & Shareholder Activism

One of the ways of raising the standard of corporate governance is improving shareholder activism in Singapore and the level of engagement between the company and shareholders. To facilitate this engagement, SIAS has commenced the review of annual reports and issuing a minimum of three questions on the company's business strategy, financial statement and corporate governance. This exercise is to help focus discussions at shareholder meetings and help companies to provide better accountability to shareholders. We are commencing with analysing 200 companies in the first year with at last half of them low in the governance ratings.

Companies are encouraged to address the questions at the AGM

and also publish the answers on SGX Net. Thus far, about one third of the companies reviewed have published their responses to the questions. In our review thus far, companies need to communicate their strategy more effectively in order to keep shareholders on side, given that their individual goals may not always align.

To further help investors understand their rights and resolve their investment issues, SIAS launched the inaugural Investment Clinic in August 2016, where investors have opportunity to discuss directly with a panel of investment and legal experts, their issues affecting their investments.

Over the course of this year SIAS has also made representations to companies over minority shareholders' concerns and have resolved issues with SingPost, and secured better offers for shareholders of Tiger Airways, OSIM and guided SMRT and GMG shareholders. We will, of course, continue to actively engage companies on behalf of minority shareholders for a win-win-win outcome, with our "in the boardroom and not the courtroom" engagement policy.

### Engaging Regulators

SIAS continues to engage the regulators on market issues and collaborate with them on how new regulations affect retail investors. SIAS is working with ISCA and ARCA to develop a guide for investors to explain the disclosures under the enhanced auditor's report, which will come into effect by 2017. The guide will help investors understand how they can use these enhanced audit disclosures to obtain greater insights into the company's financial statements and ask more pertinent questions at annual general meetings.

SIAS has been invited by SGX to be represented on two of its committees, namely the SGX Listing Advisory Committee (LAC) and the Securities Industry Working Group On Operational resilience (IWG). The

LAC enables SGX to draw upon the views of a panel of independent and experienced market professionals who will provide advice on SGX's listing policies, as well as listing applications to the Mainboard which meet certain referral criteria. Whilst no controls can eliminate the risk of market disruptions, the industry's ability to recover smoothly and swiftly from such disruptions has a significant impact on Singapore's reputation as an international financial centre. IWG will examine and make recommendations on recovery strategies, responses, processes and standards that SGX will thereafter work with the industry to implement.

SIAS is also recognised internationally and is a member of the OECD Roundtable for Corporate Governance

### The Challenge Ahead

The investing environment is getting more challenging. Real investment returns over the next 30 years is anticipated to be lower than the historic average because financial repression will be slow to abate. Investors will need to be more educated and knowledgeable as the search for yield will increase risks, and investors must be more vigilant in monitoring their investments. Our challenge is to get more Singaporeans actively involved in planning and investing for their future.

While we have begun to bring in more members; we have reduced the membership fee from \$30 to \$12, in the effort to bring more people to take a more active role in managing their monies for their future. We intend to build more active participation of members and investors to help them make more informed and smart decisions for a secure financial future.

**David Gerald J**  
**Founder, President & CEO**

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# 17<sup>th</sup> Annual General Meeting Agenda



1. To confirm minutes of AGM held on 26<sup>th</sup> October 2015



2. To adopt Management Committee's Annual Report



3. To adopt the Audited Accounts for the year ended 30th June 2016



4. To transact any other business of which 7 clear day's notice has been given in writing to the Honorary Secretary

**By the Order of the Management Committee**  
**Harold Woo**  
**Honorary Secretary**

# Minutes of 16<sup>th</sup> Annual General Meeting

Held On	: 26 October 2015
Venue	: SGX Auditorium, 2 Shenton Way, #02-02 SGX Centre 1, Singapore 068804
Time	: 7.00 pm
Meeting called to order	: 7.00 pm
Attendance	: 51 members
Chairman of the Meeting	: President, Mr David Gerald J.
Committee Members Present	: Mr Robson Lee, Asst Hon. Secretary Mr Andrew Kwek, Hon. Treasurer Mr Robin Chin, Committee Member Ms Vivian Claire Liew, Committee Member

1. The meeting was called to order by Chairman at 7.00pm with the Assistant Hon Secretary advising Chairman that there were 51 members in attendance, constituting a quorum.

## 2. Minutes of the last AGM

Chairman introduced the agenda and called for a proposer to confirm the minutes of the last AGM on October 3, 2014 which was posted on the website. Mr Teo Lye Hock proposed that the minutes be passed with Mr Chew Seong Min seconding the motion. There being no objections, the minutes were confirmed.

## 3. Annual Report 2014/15

Chairman summarised the Management Committee's Annual Report 2015 and ran through the major events. He highlighted the formation of the Audit Committee, chaired by Mr Ang Hao Yao to oversee and appraise the nature and extent of the audit process carried out by the external auditors. It also reviewed the findings of the external auditors relating to their assessment of the adequacy and effectiveness of the significant internal controls, including operational and financial controls, compliance controls, and risk management processes and evaluated adherence to established policies, processes and practices. Chairman informed that the Audit Committee met with the Auditors

and Senior Management to review the audited financial statements. Chairman also highlighted the Nomination and Remuneration Committees and their work.

Chairman informed that SIAS is now a registered Charity and Institution of Public Character (IPC) so as to sustain funding for the Association as majority of the members, who are Founder members, do not pay any subscription. As an IPC, SIAS would be able to provide tax deduction benefits to donors and encouraged members to donate to SIAS to support the Association's cause of championing investors' rights.

Since 2000, SIAS has organised over 1000 investor education programmes benefitting about 140,000 Singaporeans. In 2015 a total of 79 activities were organised with 10,727 attendees. Chairman reported that the staff strength has grown from 2 in 1999 to 18 currently to support the activities.

Chairman highlighted some of the investor education programmes like Interpreting Annual Reports, My Money seminars organised in collaboration with ABS and MoneySense, where understanding various asset classes are taught and then webcast on SIAS website; Investors' Forums where various investor rights issues and topics are discussed; Corporate Profile

seminars where investors get to meet company directors face-to-face; and the Singapore Investment Week where investors get updated on market outlook and meet investment experts.

Chairman also reported on the success of the Investment Chapter programme where investors are taken through the fundamentals of investing to start their investment journey. He reported that the collaboration with Peoples' Association on the Understanding Money for Seniors, on how to manage their monies and avoid financial abuse, has seen the programme take off in 7 CCs thus far with more being planned for.

He also reiterated on the need for the Association to raise funds and thus programmes like the Shareholder Communication Programme which connects companies and investors through the web and physical actives for a fee helps the Association defray costs. The Singapore Corporate Governance Week has also becoming successful with income from sponsorship from professional advisory firms. This year, 30 thought leaders and 370 registered attendees participated in the discussions.

One other important initiative the Chairman mentioned was that SIAS continues to track companies' corporate governance practices to

## Minutes of 16<sup>th</sup> Annual General Meeting *continued*

promote the interest of minority investors through the Investors' Choice Awards research and, more recently, with the launch of Governance Evaluation for Mid and Small caps (GEMS) research with SAICSA. He reiterated that the continuity of the Association depends on its members and encouraged members to support and donate to SIAS.

Chairman asked for the annual report to be passed. Mr Chew Seong Min proposed to pass the annual report and Mr Patrick Tan seconding. There being no objections, the Annual Report was accepted.

#### 4. **Adoption of Audited Accounts for July 2014 to June 2015**

The Hon. Treasurer, Mr Andrew Kwek presented the Audited Accounts for July 2014 to June 2015. He mentioned that from the beginning SIAS operated as a non-profit organisation monies collecting being used for activities. This year, SIAS also became a charity and Institution of Public Character (IPC). With the change, the Association also had to change auditors and appointed RSM Chio Lin as new auditors for the Association. As a result of the change many sponsors held back their sponsorship awaiting the outcome of the IPC application before donating to SIAS to enjoy the tax benefit, which is 3x this year. He highlighted that moving forward; the amount for sponsorships would decrease while donations would increase.

FY 2014/15 was a more challenging year, with general market sentiments being weaker and companies awaiting the outcome of our IPC application, so as to take advantage of the tax benefits, total revenue fell to 2,053,300, a 5.4% decrease from FY2014. Whilst, the Association managed to

contain overall expenses with total expenses falling 3.8% compared with FY2014, it was insufficient to compensate for the fall in revenue resulting in a deficit of \$21,238 at the end of June 2015.

Mr Koh Hua Hong asked if there should be a segregation of accounts before and after becoming a charity. Mr Tey Woon Teck from RSM Chio Lim informed that for financial reporting there is no need to prepare separate accounts as the entity is the same. Whether a charity or not, there was a need to prepare the financial statements as a whole. Mr Woon highlighted that as a charity, SIAS required to have a set of internal controls, proper accounting for donations and to comply with the Charities Act, which SIAS is currently doing.

Mr Teo Lye Hock proposed to pass the audited accounts and Mr Patrick Tan seconded the motion. There being no objections, the Audited Accounts were accepted.

#### 5. **Election of Members to the Management Committee 2015 - 2017**

Chairman informed all nominees have to file their nomination in a prescribed form and the nominees have to be approved by a Nomination Committee. The Nomination Committee comprised of three Committee Members, Mr Ng Siew Quan from Pricewaterhousecooper, Mr Robert Yeo from Singapore Training and Development Association and Mr Vincent Chen, a private investor. The Nomination Committee received the nomination 21 days before the election to review if the candidates suitability to stand as officers for the Association.

Nominees for Management Committee 2013 – 2015:

- President & CEO  
Mr David Gerald

- Vice President  
Mr Loh Uantchern
- Honorary Secretary  
Mr Harold Woo
- Assistant Honorary Secretary  
Mr Robson Lee
- Honorary Treasurer  
Mr Robin Chin
- Assistant Honorary Treasurer  
Prof Jeremy Goh
- Committee Member  
Mr Christopher Tan  
Mr Andrew Liew  
Mr Ang Hao Yao  
Mr Melvin Yong

Chairman advised that the above 10 candidates were uncontested and approved by the Nomination Committee. Chairman proposed that the members elect the management committee as a team. Mr Koh Hua Hong proposed the election of the Management Committee 2015-2017 as approved by Nomination Committee with Mr Kwong Leong Onn seconding the motion. There being no objections, the new ten (10) Management Committee were elected.

#### 6. **Appointment of Auditors**

Chairman asked that RSM Chio Lim be re-appointed as Auditors for period 2015-2017 Mr Koh Hua Hong proposed to pass the appointment and Mr Oh Kim Leng seconded the motion.

#### 7. **Any Other Business**

Chairman informed that SIAS has not received any request for an item to be discussed to transact any other business in writing with 7 days clear notice. That being the case, Chairman called the Annual General Meeting to a close.

The meeting was called to an end at 7.40 pm.

**Robson Lee**  
**Assistant Hon. Secretary**

# Management Committee

## 2015 – 2017



**SIAS Honorary Chairman**

**Mrs Lim Hwee Hua**

*Date appointed as Chairman: October 2013*

### SIAS Management Committee 2015 - 2017

The Association is managed by Management Committee (MC) elected members at the 2015 AGM comprising of the following members:



**Mr David Gerald**  
**President**

*Date elected to MC:  
June 1999; as President: June 1999  
May 2000 appointed as CEO*



**Mr Loh Uantchern**  
**Vice President**

*Date elected to MC: September 2011;  
as Hon Secretary: Oct 2013 – Oct  
2015; as Vice President: Oct 2015.*



**Mr Harold Woo**  
**Hon. Secretary**

*Date elected to MC:  
Oct 2015; as Hon. Secretary:  
Oct 2015*



**Mr Robson Lee**  
**Asst. Hon. Secretary**

*Date elected to MC:  
September 2011; as Asst. Hon.  
Secretary: October 2013*



**Mr Robin Chin Sin Beng**  
**Hon. Treasurer**

*Date appointed to MC:  
January 2014; as Hon. Treasurer  
October 2015*



**Prof Jeremy Goh**  
**Asst. Hon. Treasurer**

*Date elected to MC:  
September 2009; as Asst. Hon.  
Treasurer: October 2015*

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## Management Committee 2015 – 2017 *continued*



**Mr Christopher Tan**  
**Committee Member**

*Date elected to MC:*  
*September 2009*



**Mr Ang Hao Yao**  
**Committee Member**

*Date elected to MC:*  
*October 2015*



**Mr Andrew Liew**  
**Committee Member**

*Date elected to MC:*  
*October 2015*



**Mr Melvin Yong**  
**Committee Member**

*Date elected to MC:*  
*October 2015*



**Mr Lawrence Leow**  
**Committee Member**

*Date appointed to MC:*  
*January 2016*



**Lim Chuang**  
**Committee Member**

*Date appointed to MC:*  
*August 2016*

# Governance Report

## Our Governance Framework

With effect from 8 May 2015, SIAS became a Charity and obtained the Institution of Public Character (IPC) status on 6 August 2015.

One of the three tenets of SIAS is promoting good governance practices in listed companies. We have to practice what we preach. It has now become even more essential for SIAS as a Charity and an IPC to embrace good governance practices. The following are some of the key initiatives undertaken by the Management Committee to adopt good governance at SIAS by appointing an Honorary Chairman and three governance committees.

### Honorary Chairman

**Mrs Lim Hwee Hua**

*A constitutional appointment, independent and non-executive for a term of 3 years.*

#### Key Functions:

To ensure President and Management Committee comply with the Constitution and act in the interest of the Association

The need for the appointment of an Honorary Chairman arose as the Association is headed by the elected President, who is also appointed by the Management Committee as the Chief Executive Officer of the Association. As a good governance practice, it is necessary to have an Honorary Chairman to ensure that the requirements of the Constitution are complied with by the President as well as the Management Committee. The Chairman has to be a person of high stature and extensive knowledge and experience. Hence, the appointment of Mrs Lim Hwee Hua, as our 3<sup>rd</sup> Honorary Chairman with effect from 21 October 2013.

### Governance Committee

#### Audit Committee

The Audit Committee is a Constitutional appointment by the Management Committee. Its members are appointed for a term of 3 years. The

primary function of this Committee is to assist the Management Committee in fulfilling the oversight and fiduciary responsibilities, to act in the interest of SIAS' members and stakeholders as a whole, in particular, in the areas of financial accountability and reporting.

The Committee oversees and appraises the nature and extent of the audit process carried out by the external auditors. It also reviews the findings of the external auditors relating to their assessment of the adequacy and effectiveness of the significant internal controls, including operational, financial, compliance controls, risk management processes and evaluated adherence to established policies, processes and practices. It also reviews the actions proposed to be taken by the management to address the findings of the auditors.

The Committee also undertakes the review of the financial statements with the external auditors and recommend to the Management Committee for approval. The Audit Committee has examined the audited accounts and has met with the senior management to clarify matters arising from the preparation of the audited accounts making sure the processes are complete. The external auditors have unrestricted access to the audit committee.

- *Chairman*  
Mr Ang Hao Yao, CFA  
Chairman, Sata
- *Members*  
Mr Ravi Manchanda  
Senior Banker, Corporate and Institutional Banking (Asia), Westpac Banking Corp  
  
Mr Th'ng Beng Hooi, CFA  
Managing Director, A.B. Maximus

#### Nomination Committee

The Nomination Committee is a Constitutional appointment by the Management Committee. The objective of the Nomination Committee is to lead the process of selection of the most suitable candidate or candidates for appointment to the Management Committee and to make recommendation to the Management Committee. The members are appointed for a term of 3 years.

The Nomination Committee reviews the applications from members intending to stand for the Management Committee, at least 21 days from the Annual General Meeting, and submitted to the Nomination Committee for approval within 7 days of submission. Once the Nomination Committee has approved the nomination, then election will follow at the Annual General Meeting on a simple majority.

## Governance Report *continued*

The Nomination Committee shall ensure that the candidate is of good standing, is free from any criminal record and is not an undischarged bankrupt. The candidate should not have been removed from any Committee or Members of an Organisation for poor performance, neglect or unruly conduct.

- *Chairman*  
Mr Ng Siew Quan  
Partner, PWC
- *Members*  
Mr Robert Yeo  
Executive Director & CEO, STADA  
  
Mr Vincent Chen  
Private Investor

### Remuneration Committee

The Remuneration Committee is a Constitutional appointment by the Management Committee. The Remuneration Committee exercises oversight of the remuneration policies in SIAS. It ensures that SIAS has appropriate remuneration policies and decides on the remuneration of its senior executives, which includes performance incentive plans and other compensation and benefits.

The committee ensures salary competitiveness, reviews the basis and quantum for the performance bonus payment and annual salary increase; and the manpower requirements of the Association.

- *Chairman*  
Mr Loh Uantchern  
Chief Executive Officer, Black Sun  
/ Hon. Secretary, SIAS  
  
Mr Andrew Cheng  
Chief Operating Officer, Kingsmen  
/ Committee Member, SIAS  
  
Mr Robin Chin  
CPA Partner, Foo Kon Tan LLP /  
Hon. Treasurer, SIAS

### Governance Evaluation Checklist

S/No.	Code Description	Code ID	Compliance	Please provide explanation if your charity is unable to comply with the Code guidelines, or if the guidelines are non-applicable
<b>BOARD GOVERNANCE</b>				
1	Are the Board members holding staff appointments?		Yes	The President is also the CEO of the Association and Founder of the Association. The Constitution allows the President to be CEO.
2	If the governing instrument permits staff to become Board members, they should comprise not more than one-third of the Board.	1.1.2	Complied	
3	Staff does not chair the Board.	1.1.2	Not Complied	The President, who is also the CEO, chairs the Management Committee. The President and the Management Committee are overseen by the independent Chairman who is to ensure that the Management committee acts in the interest of the Association and complies with the Constitution. The Chairman can instruct the President and the Management Committee to comply with the Constitution and act in the interest of the Association.
4	There is a maximum term limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman).	1.1.6	Complied	

5	There are Board committees (or designated Board members) with documented term of reference).	1.2.1	Complied	
6	The Board meets regularly with a quorum of at least one-third or at least three members, whichever is greater (or as required by the governing instrument).	1.3.1	Complied	
<b>CONFLICT OF INTEREST</b>				
7	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board.	2.1	Complied	
8	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	Complied	
<b>STRATEGIC PLANNING</b>				
9	The Board reviews and approves the vision and mission of the charity. They are documented and communicated to its members and the public.	3.1.1	Complied	
10	The Board approves and reviews a strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.2	Complied	
<b>HUMAN RESOURCE MANAGEMENT</b>				
11	The Board approves documented human resource policies for staff.	5.1	Complied	
12	There are systems for regular supervision, appraisal and professional development of staff.	5.6	Complied	
<b>FINANCIAL MANAGEMENT AND CONTROLS</b>				
13	The Board ensures internal control systems for financial matters are in place with documented procedures.	6.1.2	Complied	
14	The Board ensures reviews of the charity's controls, processes, key programmes and events.	6.1.3	Complied	

## Governance Report *continued*

15	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure.	6.2.1	Complied	
16	The charity discloses its reserves policy in the annual report.	6.4.1	Complied	
17	Does the charity invest its reserves.		No	
<b>FUNDRAISING PRACTICES</b>				
19	Donations collected are properly recorded and promptly deposited by the charity.	7.2.2	Complied	
<b>DISCLOSURE AND TRANSPARENCY</b>				
20	The charity makes available to its stakeholders an annual report that includes information on its programmes, activities, audited financial statements, Board members and executive management.	8.1	Complied	
21	Are Board members remunerated for their Board services?		No	
24	Does the charity employ paid staff		Yes	
25	No staff is involved in setting his or her own remuneration.	2.2	Complied	
26	The charity discloses in its annual report the annual remuneration of its three highest paid staff who each receives remuneration exceeding \$100,000, in bands of \$100,000. If none of its top three highest paid staff receives more than \$100,000 in annual remuneration each, the charity discloses this fact.	8.3	Complied	
<b>PUBLIC IMAGE</b>				
27	The charity accurately portrays its image to its members, donors and the public	9.1	Complied	

## Conflict of Interest Policy

### 1. Purpose

- 1.1 As members of the Management Committee and Staff of the Association, which is a Charity, we have an obligation to act in its best interest. Hence, we need to avoid situations where there may be real, potential or perceived conflicts of interest, which may arise where a member's personal or family interest conflicts with those of the Charity.
- 1.2 Such conflicts may create problems that may result in the following:
- Cause damage to the Charity's reputation which may lead to its inability to sustain operations;
  - Influence the members' judgment and compromise objectivity when conducting the Charity's affairs;
  - Restrict free discussion, thus resulting in decisions or actions that are not in the interests of the Charity; and
  - Risk the impression that the Charity has acted improperly.
- 1.3 This Policy aims to protect both the Charity and its members from any appearance of impropriety.

### 2. Definitions

- 2.1 "Charity" refers to the Securities Investors Association (Singapore) (SIAS) as the issuer of this document.
- 2.2 "Member" refers to a Management Committee member or management member or staff member or volunteer member of the charity.
- 2.3 "Policy" refers to the Conflict of Interest Policy.
- 2.4 "Interest" means any commitment, investment, relationship, obligation, or involvement, financial or otherwise that may influence a person's judgement. This would include:

- Direct interest – ownership in the name of the member/staff;
  - Indirect interest – ownership beneficially held through another investment, estate, trust or other intermediary;
  - Vested interest – personal stake or involvement, which may or may not include an expectation of financial gain; and
  - Deemed interest – a member/staff is deemed to have an interest which his/her spouse/domestic partner holds an interest
- buying or selling goods or services from / to a family business for which others might compete,
  - having a personal relationship where there is an immediate reporting relationship,
  - volunteering and/or having memberships in any other charities, or
  - receiving goods/services as beneficiaries.

- B. Members must disclose any outside activities, financial interest or relationship that may pose a real, potential or perceived conflict of interest. Disclosures are to be made to the Management Committee/senior management/supervisors and head of the Human Resources Department, with the required approval obtained before accepting any position as an officer or director of an outside business.

- 2.5 A conflict of interest arises when the personal interests of the member/staff may potentially interfere with the performance of his/her duties in the charity. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the person may be affected, which could impede the best interest of the charity.

### 3. Declaration of Interests

- 3.1 Given the stated purpose of this Policy, we are asking
- Management Committee and management members to declare their interests, and any gifts or hospitality received in connection with their role in the Charity; and
  - staff and volunteer members to declare when the transaction to be effected may result in a conflict of interest.

- 3.2 A declaration of interests form is provided for this purpose. The types of interest to be declared will include, but not limited to the following

- Members who have friends or other personal or business relationships must carefully consider whether those relationships create conflicts of interest with their entrusted role in the Charity. Examples include:
  - hiring a relative or friend as an employee or vendor,

- 3.3 To be effective, the declaration of interests needs to be updated in written form at least annually and also when any changes occur.

- 3.4 In situations where members are not sure what to declare, or whether/when your declaration needs to be updated, they are strongly encouraged to err on the side of caution or seek advice from the Management Committee/senior management/supervisors.

- 3.5 All disclosure of interest made by members and decisions made by the Management Committee/senior management of the charity on such matters must be recorded, updated and filed with the head of the Human Resources Department (or his designee).

### 4. Declaration of Interests

- 4.1 If the Management Committee needs to make a decision on an issue where the Management

## Our Governance Framework *continued*

Committee member(s) has/have an interest, it is the responsibility of the Management Committee member(s) to:

- a. Identify the potential conflict of interest;
- b. Not participate in discussion of the program or motion being considered; and
- c. Not vote on the issue.

4.2 If the Management Committee needs to make a decision on an issue where the Management Committee member(s) has/have an interest, it is the responsibility of the Management Committee to ensure that:

- a. All decisions are made by vote, with a two-thirds majority required based on the presence of a quorum; and
- b. Interested board members must not vote on matters affecting their own interests.

4.3 It is the responsibility of the Management Committee to:

- a. Only decide to hire or contract with any vendor if they are the best qualified individuals available, and willing to provide the goods or services needed at the best price. The Management Committee's decision shall not be influenced in any way by the fact that a Management Committee member has an interest in the contract.
- b. Record in the minutes of the Management Committee Meeting the potential conflict of interest, and the use of the procedures and criteria of this policy.

4.4 It is the sole responsibility of any member of the Charity to report any possible real, potential or perceived conflict of interest. If it is an oversight of the Charity, the member shall promptly inform the Charity that he has been put in such a position of conflict of interest.

4.5 No member of the Charity shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the Charity. Each individual shall disclose to the Charity any personal interest which he or she may have in any matter pending before the organisation and shall refrain from participation in any decision on such matter.

4.6 Any member of the Charity or of a client organisation or vendor of the Charity shall identify his or her affiliation with such agency or agencies; further, he shall not participate in the decision affecting that agency.

4.7 Any member of the Charity or its Consultants / Business Partners shall refrain from obtaining any list of clients for personal or private solicitation purposes at any time during the term of their affiliation.

4.8 Any member who is also a user of the Charity's services, or the carer of someone who uses the charity's services shall not be involved in decisions that directly affect the service received by the person he / she cares for. He / She shall declare his / her interest at the earliest opportunity and withdraw from any subsequent discussion. The same applies if the conflict concerns any other reason(s).

4.9 A member of the Charity may, however, participate in discussions from which he / she may indirectly benefit, for example where the benefits are universal to all users.

4.10 The Management Committee of the charity shall have the right to suspend any involvement of any member/staff when it has come to their attention that a potential actual or perceived conflict has arose, but has not been voluntarily disclosed by the relevant member.

### 5. Violations

5.1 Any violation will result in discipline, up to and including termination from employment or removal from the Management Committee, or expulsion from being a volunteer member of the charity.

The Conflict of Interest Policy is also published on the SIAS website

### Reserve Policy

The reserves of the association provide financial stability and the means for the development of the association's activities. The association intends to maintain the reserves at a level sufficient for its operating needs. The management committee reviews the level of reserves regularly for the association's continuing obligations.

	2016 \$	2015 \$
Unrestricted income fund	527,873	443,667
Ratio of reserves to annual operating expenditure	0.24	0.21

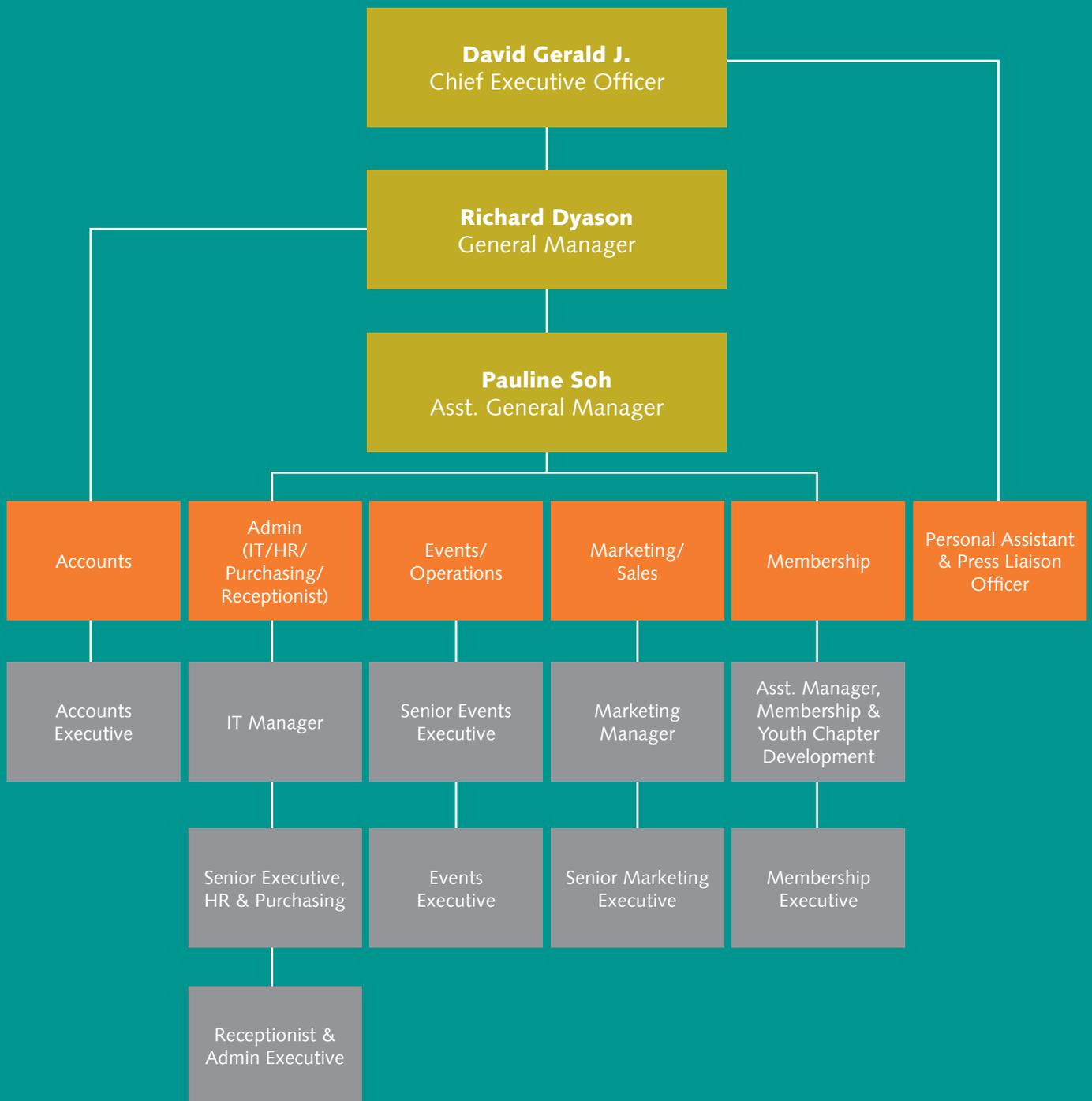
### Disclosure Of Key Management Remuneration

No executive determines his or her own pay. The Management Committee, on the recommendation of the Remuneration Committee, reviews the remuneration of the staff of the Association and provides guidelines for the CEO.

The top key senior management of SIAS remunerated \$100,000 or more are disclosed in bands of \$100,000 as follows:

Bands	Personnel
\$200,000 - \$299,999	Mr David Gerald CEO
\$100,000 - \$199,999	Richard Christopher Dyason GM

# Our People



Information is correct as of 30<sup>th</sup> June 2016.

# Vision

An educated, engaged and empowered investment community

# Mission

- ✓ Advocate sustainable and stable stakeholder relationships in the investment community
- ✓ Safeguard and protect investor rights
- ✓ Empower investors through education and timely information
- ✓ Promote fair and transparent corporate governance standards, regulations and practices

# Management Committee's Annual Report 2016

## Protecting, Educating and Advancing Investor Rights and Corporate Governance

This is the first year that SIAS is providing this report as a Charity. SIAS also became an Institution of Public Character (IPC) on 6 August 2015. This means that SIAS would be able to provide tax deductible receipts for donations to SIAS for our work in promoting investor education and championing the rights of investors. This would also allow donors to benefit from tax deductions of 250% of their donation amount. We are seeing more supporters as donors as SIAS is now an IPC. The support these donors provide enables SIAS to provide more activities for the community to help them prepare for a secure financial future and a comfortable retirement.

The Association has been actively working to extend our reach into the community. SIAS has been working with People's Association (PA) on the Understanding Money series for Seniors to educate them on how to avoid financial abuse. Thus far 25 events across 12 CCs have been organised. We are indeed honoured that for our work with PA, SIAS has been recognised with the Merit Award for the PA Community Spirit Award.

In addition, the 5<sup>th</sup> Singapore Investment Week, our yearly campaign and mass outreach to Singapore investors on the importance of investing wisely, was successful in attracting over 3,000 participants over 22 programmes. This year's theme, Investing for Every Stage of Your Life, focused on meeting the investment challenges in a low yield environment and hold to build wealth in current economic uncertainty and volatility.

SIAS continues to champion investor rights and over the course of this year SIAS also made representations to companies over minority shareholders' concerns and have resolved issues with SingPost, secured better offers for shareholders of Tiger Airways, OSIM and guided SMRT and GMG shareholders. We will, of course, continue to actively engage companies on behalf of minority shareholders to for a win-win-win outcome, with

our "in the boardroom and not the courtroom" engagement policy.

SIAS also secured funding for the analysis of company's annual reports and commenced the coverage of posing at least 3 questions on the company's business strategy, financial statement and corporate governance. This is to help focus discussions at shareholder meetings and help companies to provide better accountability to shareholders. Companies are encouraged to address the questions at the AGM and also publish the answers on SGX Net. 200 companies are targeted in the first year and the exercise commences in July 2016.

Corporate governance is also one of the key pillars of our mission. In this respect, SIAS has commenced publishing the ratings SGX listed companies in 5 bands, according to the governance rating based on OECD Corporate Governance Principles, conducted in collaboration with SMU-SKBI. There is empirical evidence today that companies with good corporate governance also give better performance and the publication of companies' corporate governance ratings will help investor identify well run companies.

At the heart of the Association is its members and our role is to extend our

reach to more Singaporeans to help them prepare for a secure financial future. In that respect, SIAS has reduced our membership fee from \$30 to \$12 to attract more members and to get them involved to be educated, make well informed in their investment decisions and to have a financial plan. We will continue to focus on educating members to empower them to make the right decisions while driving investor rights responsibly to advance the rights of minority investors.

The Association faced headwinds with brokers suffering from low trading volumes, and companies facing economic challenges with BREXIT and the slowdown of China. Nevertheless, SIAS managed to increase our revenue as companies took advantage of our IPC status through donations. Total income grew 9.5% compared to FY 2015 to \$2,248,745. This was mainly driven by an increase in donations which rose over 850% to \$1,018,116. This more than offset the fall in contributions from Sponsorship, and Shareholder Communication Services. Total expenses increased by 5% attributed by increase in employee benefits and increase in office rental. Nevertheless, services consumed recorded a fall as less speakers were invited for the Corporate Governance Conference. Overall, the Association managed a surplus of \$84,206.

# SIAS Activities

## Membership

In the effort to bring more people to take a more active role in managing their monies for their future, and planning for their retirement, SIAS revised the membership of Ordinary Membership down to \$12 / year and Student Membership to \$6 / year with effect from 1 January 2016. This is to facilitate more Singaporeans to join the Association and be empowered with investment education. SIAS continues to participate in various investment fairs, universities' events and selected companies' AGM to raise

the importance of investor education and financial literacy to all walks of life. We are pleased to receive further support from SMRT Corporation, CNMC Goldmine and Perennial Real Estate Holdings where complimentary SIAS membership were distributed to their shareholders via insertion in their latest annual reports. In addition, SIAS has also visited the Ministry of Culture, Community & Youth (MCCY) and Nanyang Polytechnic to conduct financial literacy talks for the employees of the organisations as part

of our employee outreach initiatives. Total number of SIAS members as of 30 June 2016 is 71535.

SIAS has recently begun the exercise to contact Founder members to update their contact details with SIAS. This is to ensure that our database remains updated and relevant. Founder members are encouraged to contact SIAS to update their contact details. This exercise commenced in May 2016 and is expected to take several months.

### Membership figures as of June 2016

4  
Honorary

1,494  
Ordinary

16,304  
Associate  
Paying – 133  
Sponsored – 16,171

5,072  
Student  
Paying – 275  
Sponsored – 4,797

48,661  
Founder

## Summary of SIAS Activities

Over the course of the year, SIAS conducted 112 activities reaching out to almost 14,000 participants. SIAS continues to drive investor education as its core activity helping investors make informed decisions, advocate good corporate governance practices and champion investor rights.

Description	No. of Activities	No. of Attendees
Investor Education Workshop & Courses	57	6,100
Dialogue Sessions / Investor Rights Activities	17	351
SIW	22	3,464
CG Week	5	1,594
Youth Chapter	9	2,290
Roadshows	2	N.A
<b>Total</b>	<b>112</b>	<b>13,799</b>

## Investor Education Programmes

In the 2016 Master Card Financial Literacy Index survey of Asia Pacific countries, Singapore achieved significant progress compared to our counterparts, and secured to top score. The survey results also revealed that Singapore is the only market that showed improvement in all three literacy components – Basic Money Management (+4 points), Financial Planning (+2 points) and Investment (+5 points).

The 'Investment' component saw the largest increase of 5 points, contributed largely by consumers' understanding of financial statements (+7 points from 64 to 71), and a keen interest

in monitoring their investments (+6 points from 55 to 61).

However, the results also revealed that people still struggle in other areas and have to make greater effort to increase financial knowledge around retirement planning, especially given the uncertain economic outlook.

Our Investor Education programmes are focused to help investors to achieve their goals by helping them to develop their own decision making process. The programmes are designed to identify investment opportunities to invest wisely; to promote healthy investment habits and encourage

investment decisions based on sound fundamentals thereby, helping to develop the capital market, and increase liquidity through education and information.

In FY 2015, a total of 105 Investor Education programmes were conducted with a total number of 12,205 members and investors attending these events. The programmes comprised educational seminars on investment products and strategies, Interpreting Annual Reports for Stock Selection workshops, My Money series in English and Chinese, Market Outlook, Corporate Connect seminars, and Value Investing.



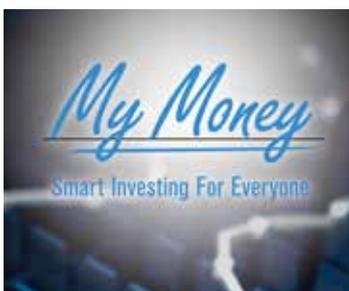
### Singapore Investment Week (SIW)

Singapore Investment Week is the main investor education outreach programme for SIAS, promoting the importance of investing among fellow Singaporeans. SIW is a free seminar that aims to educate the general public on the various investment strategies and tools one needs to be equipped to achieve their financial goals.

Visit <http://sias.org.sg/siw/>

This year is the fifth installment of the programme with a main seminar in May and an investment symposium in September.

The theme this year "Investing for Every Stage of your life" kicked off on 7th May with a main seminar on Strategies for Building Wealth in Economic Uncertainty and Volatility and Asset Allocation – Currency Consideration in the Global Investment Portfolio, together with a Mandarin seminar and a Corporate Connect seminar featuring presentations from SPH and CapitaLand Limited. This was followed by workshops on trading and investment strategies.



### My Money Series

This national financial literacy programme, "My Money", is organized by SIAS in collaboration with MoneySENSE and the Association of Banks in Singapore (ABS). These seminars are in English and Mandarin and topics covered this year include such as ETFs, Savings Bonds and Unit Trusts, putting into context current issues of investing in relation to retirement goals.

## SIAS Activities *continued*



### My Money @ Campus

Extending the current programme to the youth, The “My Money @ Campus” initiative is a series of investor education seminars organised via collaboration between MoneySENSE, the Association of Banks in Singapore (ABS) and the Securities Investors Association, Singapore (SIAS). The objective of this seminar is to educate tertiary students, who may be interested to get started on investing but are unsure on how to go about doing it. Topics are tailored based on students’ profile of between 18 to 25 years old and looking to be first jobbers soon.

The focus will be on what students should watch out for before committing themselves to any investment product and the risk involved in it. It will also covers investor biases to manage and considerations before embarking to any type of investments.



### Investment Chapters

Introduced in 2014, this core programme provides experiential learning to overcome the fear of investing. This programme is streamlined into 3 sessions and covers topics such as understanding the need for investing, creating an investment plan and portfolio, having an awareness of your psychology of investing, and introducing the basics of investing.

### Analyzing Companies Financial for Smart Investing

Whether you should stay invested in a company or sell its stock will very much depend on how much you know about the company. This course will help you be a confident and knowledgeable investor. Learn how to analyse a company’s financial performance through various case studies and have technical financial languages explained to you in simple terms.





### Value Investing Workshop

This workshop is targeted at beginners that would like to get started on investing. Learn the secrets of Billionaire Warren Buffet by using a methodology, Value Investing. You will learn topics such as; where to find investment opportunities and how to select good companies to invest in this hands-on and interactive class.

### Investors' Forum

The Investors' Forum is organized to highlight topical issues and educate investors. Learn from Industry experts, lawyers and seasoned Investors as they answer questions posed by members at the forum. These sessions encourage members and investors to share and discuss issues and market changes relating to their investments. This year, topics like the Minimum Trading Price, Understanding Key Audit Matters and Diversity issues were addressed.



### UNDERSTANDING MONEY FOR SENIOR CITIZENS 年长者对于金钱的认识

### Understanding Money series in collaboration with Peoples' Association

Understanding Money for Senior Citizens is organized by SIAS and is in collaboration with People's Association. The programme was launched by Mr. Teo Ser Luck, Mayor, and North East District and is designed to help senior citizens manage their monies, make smart money decisions and protect them from financial abuse. Thus far 12 Community Centres with 25 programmes have been covered. SIAS has also been honoured that for our work with PA. SIAS has been recognised with the Merit Award for the PA Community Spirit Award for this programme.

### Mandarin Workshops: 2015 July to 2016 June

- 利率9月上升前您一定要知道的投资秘密!
- 2016危机或是转机: 技术分析及心理策略
- 新加坡投资周 - 在人生的每个阶段进行投资规划
- 简易价值投资法

This year a total of 4 programmes in Mandarin were conducted. One session programme was conducted as part of the Singapore Investment Week. Other programme topics included Market Outlook, Value Investing and Trading strategies. A total of 265 participated in the Mandarin seminars.



## SIAS Activities *continued*

### Shareholder Engagement Programmes



#### Corporate Connect Seminar

The Corporate Connect Seminar is the collaboration between SIAS and SGX. The aim is to build bridges between Investors and Representatives of Public Listed Companies.

Six (6) Corporate Connect Seminars were conducted this year with companies from the various sectors of the market participating. The themes of the seminars covered real estate, STI index, new listings and Catalist companies. This year saw 485 investors in attendance. The platform provides listed companies to share their financial performance and business strategies to the investors, allowing investors to better understand the company.

Investors were able to benefit from sharing sessions and get to meet and hear directly from the senior management of the companies. SIAS will continue to engage more companies and create opportunities for investors to learn and understand them.

#### Investors' Day

Often, barriers between listed companies and retail investors are due to inadequate attention paid to investor relations. This may result in lethargic trading due to lack of interest.

SIAS assists to bridge the gap by organising interactive and exclusive events for the listed company and its shareholders to keep their shareholders abreast on the recent developments/activities of the company.



#### Annual Report Commentaries

This is an independent review of the Company's annual report. The purpose is to highlight significant and crucial information that shareholders need to know to gain better understanding of the annual report before attending the Company's Annual General Meeting. This will help both the Company and its shareholders to have meaningful discussions during AGMs. Visit <http://sias.org.sg/arreviews/>

## New Programmes and Initiatives



### Market Outlook and Stock Picks

Revamped this year by inviting speakers from broker firms and realtors, covering three asset classes' outlook, property, commodities, and equities and ended with a panel discussion. This year saw 192 investors in attendance. The informative session was well received and investors benefitted from the difference insights and view from the different asset classes outlook.

### Understanding Money for Young Working Adults

With inflation and rising cost of living, those that just start their career find it hard to cope with their finance. How much is enough to afford a car or a house? When will it be a good time to start investing my money?

This seminar helps young adults aged 40 and below, find out ways to work with their assets to gain more from it instead of just keeping it in the bank.



# SIAS Activities *continued*

## Investor Rights



TODAY, 5 January 2016



Business Times, 21 January 2016



Business Times, 19 April 2016

## Dialogue Session with Listed Companies

Often, issues between shareholders and the company receive bad publicity, consequently affecting share prices. SIAS believes in achieving a win-win situation between the company and the shareholders by engaging the company in the boardroom in a conciliatory approach rather than contentious one.

In the FY ending 30 Jun 2016, SIAS organised 20 such events for companies including Cordlife Group, Neptune Orient Lines Limited and Saizen REIT.



Dialogue Session with Neptune Orient Lines Ltd

## Dispute and Complaints Resolution

SIAS received 47 complaints during the course of the year from members. The complaints were mainly regarding issues surrounding merger & acquisitions, delisting, issues with broker services and investment disputes regarding non-regulated investment products. Issues relating to corporate actions by listed companies continued to dominate.

SIAS has also made representations to companies over minority shareholders' concerns and have resolved issues with SingPost, OSIM and guided SMRT and GMG shareholders. We will, of course, continue to actively engage companies on behalf of minority shareholders for a win-win-win outcome, with our "in the boardroom and not the courtroom" engagement policy.

## Corporate Governance

### Governance Evaluation for Mid & Small Caps (GEMS)

The Governance Evaluation for Mid and Small Caps (GEMS), developed in collaboration with SIAS and CSIS, under the guidance of Advisor, Assoc. Prof Mak Yuen Teen of NUS Business School, was launched in April 2015. Handshakes, an innovative data analytics platform to the capital markets, is a partner and sponsor to this project. GEMS is designed to better assess and rate the governance of small and medium enterprises (SMEs) as what is most important to the governance and long-term success of such SMEs may be different from large companies.

The Governance Evaluation for Mid and Small Caps (GEMS) addresses the limitations of existing corporate governance indices in several respects. First, it evaluates corporate governance practices over three years rather than on an annual basis. Second, it focuses on observable, quantifiable and verifiable metrics that reflect actual corporate behaviour, rather than mere disclosure of policies, practices or intent to adhere to corporate governance best practices. This addresses concerns that disclosures often reflect form rather than substance and may not reflect what is actually practiced by the company. Third, unlike existing corporate governance indices, GEMS is developed specifically with mid and small cap companies in mind.

It focuses on factors of importance to such companies, such as stability of ownership and succession risk. Fourth, it recognizes the importance of regulatory risk on the protection of minority shareholders, and therefore uses indicators that differentiate companies on such risk. GEMS cover companies with market capitalization of no more than S\$500 million which are listed on the Main Board or Catalyst of the Singapore Exchange (SGX).

This currently makes up over 80% of listed companies. With GEMS ranking, investors will have another framework to help them identify well governed companies to invest.

### Corporate Governance Week & SIAS Investors' Choice Awards



Global Corporate Governance Conference 2015  
Guest of Honour, Ms Indraneel Rajah, Senior  
Minister of State for Law and Finance

SIAS Singapore Corporate Governance Week (CG Week) cultivates the importance of raising the standard of governance here in Singapore and in Asia highlighting best practices from around the world. Corporate governance practitioners and participants were updated on the latest developments in corporate governance globally.

The 6th Singapore CG Week held on 12-16 October 2015 addressed the individual governance standpoint of the Board, Stakeholders and Shareholders - Partners or Adversaries? Over 30 overseas and local thought leaders and leading practitioners shared their perspective and debate solutions on current and emerging corporate governance issues

and challenges. Other topics tackled included Remuneration issues, Pay & Performance, Bribery & Corruptions and etc. which made the whole programme more contentious.

The 16th Investors' Choice Awards (ICA) honours and recognizes public listed companies which have demonstrated exemplary Corporate

Governance and Transparency practices, was the appropriate penultimate end to the week. Brokers and Financial Journalists, who did well by serving the needs of investors, were also recognised for their contributions.

In addition, some 121 listed companies joined SIAS to pledge their support to uphold good corporate governance.



SIAS 16th Investors' Choice Awards 2015  
Guest of Honour, Mr Chan Chun Sing, Secretary-  
General, National Trades Union Congress and  
Minister, Prime Minister's Office



Corporate Governance Conference 2015  
- Panel Discussion



SIAS 16th Investors' Choice Awards 2015 Winners

## SIAS Activities *continued*

### Corporate Governance Ratings

#### SIAS Investors' Choice Awards Corporate Governance Ratings 2015

SIAS conducts research on listed companies on their corporate governance practices. The ratings are used as part of the selection process for the SIAS Investor Choice Awards. Companies corporate governance practices are scored based on the OECD Principles of Corporate Governance and the Singapore Code of Corporate Governance. The scorecard can be found in:

[http://sias.org.sg/cgweek2015/pdf/SCGA\\_Scorecard\\_CGI\\_questions.pdf](http://sias.org.sg/cgweek2015/pdf/SCGA_Scorecard_CGI_questions.pdf)

To help investors better understand how companies have scored, SIAS is publishing the corporate governance scores of all companies in 5 bands. The 2015 SIAS Corporate Governance Ratings was conducted in collaboration with SMU-SKBI.

The bands are as follows:

- Band 1 – Top 20%
- Band 2 – 21 – 40%
- Band 3- 41 – 60%
- Band 4 – 61 – 80%
- Band 5 - bottom 20%

BAND 1	BAND 2	BAND 3	BAND 4	BAND 5
AA Group Holdings Ltd Achieva Limited Advanced Holdings Ltd AEM Holdings Ltd Alliance Mineral Assets Limited Ascendas India Trust Ascendas Real Estate Inv Trust Asiaphos Ltd	Design Studio Group Ltd Dynamic Colours Limited ES Group (Holdings) Limited Eu Yan Sang International Ltd First Resources Limited Fraser and Neave, Limited Fraser's Centrepoint Limited Gaylin Holdings Limited	PACC Offshore Services Holdings Ltd Pan-United Corporation Ltd Petra Foods Limited Polaris Ltd Q & M Dental Group (Singapore) Limited Qian Hu Corporation Limited QT Vascular Ltd Raffles Medical Group Limited		

To view the full list of companies, please visit:

[http://sias.org.sg/index.php?option=com\\_content&view=article&id=707&Itemid=147&lang=en](http://sias.org.sg/index.php?option=com_content&view=article&id=707&Itemid=147&lang=en)

Corporate governance is also one of the key pillars of our mission. In this respect, SIAS has commenced publishing the ratings SGX listed companies in 5 bands, according to the governance rating based on OECD Corporate Governance Principles, conducted in collaboration with SMU-SKBI. There is empirical evidence today that companies with good corporate governance also give better performance and the publication of companies' corporate governance ratings will help investors identify well run companies. Investors can access the rankings from the SIAS website.

## Shareholder Communication Programme

The revised Singapore Corporate Governance code of 2012 now has a specific Principle on shareholder rights and communication with shareholders.

The Shareholder Communication Programme provides public listed companies a platform to reach out to SIAS Members, engaging shareholders to effectively communicate their company profiles and financial information to investors on the look-out for good investment opportunities.

Companies that in this programme are able to reach investors through online platforms from SIAS's Website, Electronic Direct Mailers, SIAS's Youtube and physical events such as Seminars, Pre-AGM meeting and Investors Day. Shareholders of these participating companies will also receive a year of associate SIAS membership.

For more information on our Shareholder Communication Programme, please visit our website at [www.sias.org.sg](http://www.sias.org.sg)



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# Financial Statement 2015 / 2016

## **SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

(Unique Entity Number: S99SS0111B)

(Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

### **Statement by Management Committee and Financial Statements**

Year Ended 30 June 2016

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**SECURITIES INVESTORS ASSOCIATION (SINGAPORE)** (Unique Entity Number: S99SS0111B)  
 (Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

**Statement by Management Committee and Financial Statements**

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Statement of Financial Position .....	36
Statement of Cash Flows .....	37
Notes to the Financial Statements .....	38

**Statement by Management Committee**

In the opinion of the management committee,

- (a) the accompanying statement of financial activities, statement of financial position, statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of Securities Investors Association (Singapore) (the “association”) as at 30 June 2016 and the results and cash flows of the association for the reporting year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

The management committee approved and authorised these financial statements for issue.

On behalf of the management committee,

Jeyasegaram David @ David Gerald Jeyasegaram  
President

Chin Sin Beng  
Honorary Treasurer

11 October 2016

**Independent Auditor's Report to the Management Committee of  
SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (Unique Entity Number: S99SS0111B)  
(Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)**

**Report on the financial statements**

We have audited the accompanying financial statements of Securities Investors Association (Singapore) ("the association"), which comprise the statement of financial position as at 30 June 2016, and the statement of financial activities and statement of cash flows for the reporting year then ended, and significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Singapore Financial Reporting Standards, the Societies Act, Chapter 311 (the Society Act), and the Singapore Charities Act, Chapter 37 (the "Charities Act") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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**Independent Auditor's Report to the Members of  
SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (Unique Entity Number: S99SS0111B)  
(Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)**

– 2 –

**Opinion**

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, the Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the association as at 30 June 2016 and the results and cash flows of the association for the reporting year ended on that date.

**Report on other legal and regulatory requirements**

In our opinion,

- (a) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the association have been properly kept in accordance with those regulations; and
- (b) the fund-raising appeal held during the reporting year has been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act Chapter 311 and proper accounts and other records have been kept of the fund-raising appeal.

During the course of our audit, nothing has come to our attention that caused us to believe that during the reporting year:

- (a) the use of the donation moneys was not in accordance with the objectives of the Association as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the association has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

11 October 2016

Partner-in-charge of audit: Woo E-Sah

**SECURITIES INVESTORS ASSOCIATION (SINGAPORE)** (Unique Entity Number: S99SS0111B)  
(Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

**Statement of Financial Activities**  
**Year Ended 30 June 2016**

	<u>Notes</u>	<u>2016</u> \$	<u>2015</u> \$
<b>Income</b>	4	2,248,745	2,053,300
Interest income	5	1,602	1,591
Other gains	6	41,763	21,686
<b><u>Items of expenditure</u></b>			
Service consumed	7	(599,364)	(754,286)
Depreciation expense	11	(16,607)	(6,168)
Employee benefits expenses	8	(1,247,779)	(1,066,664)
Other losses	6	(1,120)	–
Other operating expenses	9	(343,034)	(270,697)
Total expenditure		(2,207,904)	(2,097,815)
<b>Net income / (expenditure) before tax</b>		84,206	(21,238)
Income tax expense	10	–	–
<b>Net income / (expenditure) for the year</b>		84,206	(21,238)
<b>Total funds brought forward</b>		443,667	464,905
<b>Total funds carried forward</b>		527,873	443,667

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

**SECURITIES INVESTORS ASSOCIATION (SINGAPORE)** (Unique Entity Number: S99SS0111B)  
(Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

**Statement of Financial Position**  
**As at 30 June 2016**

	<u>Notes</u>	<u>2016</u> \$	<u>2015</u> \$
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Plant and equipment	11	41,281	9,367
<b>Total non-current assets</b>		41,281	9,367
<b><u>Current assets</u></b>			
Trade and other receivables	12	231,285	312,678
Other assets	13	37,775	1,584
Cash and cash equivalents	14	586,758	447,221
<b>Total current assets</b>		855,818	761,483
<b>Total assets</b>		897,099	770,850
<b><u>Non-current liabilities</u></b>			
Other liabilities, non-current	15	38,000	–
<b>Total non-current liabilities</b>		38,000	–
<b><u>Current liabilities</u></b>			
Trade and other payables	16	164,246	67,516
Other liabilities, current	17	166,980	259,667
<b>Total current liabilities</b>		331,226	327,183
<b>Total liabilities</b>		369,226	327,183
<b>Net assets</b>		527,873	443,667
<b>FUNDS AND LIABILITIES</b>			
<b><u>Funds</u></b>			
General fund		527,873	443,667
<b>Total funds</b>		527,873	443,667

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

**SECURITIES INVESTORS ASSOCIATION (SINGAPORE)** (Unique Entity Number: S99SS0111B)  
(Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

**Statement of Cash Flows**  
**Year Ended 30 June 2016**

	<u>2016</u>	2015
	\$	\$
<b><u>Cash flows from operating activities</u></b>		
Net income (expenditure) before tax	84,206	(21,238)
Depreciation of plant and equipment	16,607	6,168
Interest income	(1,602)	(1,591)
Operating cash flows before changes in working capital	<u>99,211</u>	<u>(16,661)</u>
Trade and other receivables	81,393	(85,317)
Other assets	(36,191)	(1,473)
Trade and other payables	96,730	(17,457)
Other liabilities, current	(92,687)	(8,704)
Net cash flows from (used in) operating activities	<u>148,456</u>	<u>(129,612)</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(10,521)	(8,393)
Interest income	1,602	1,591
Net cash flows used in investing activities	<u>(8,919)</u>	<u>(6,802)</u>
Net increase (decrease) in cash and cash equivalents	139,537	(136,414)
Cash and cash equivalents, beginning balance	<u>447,221</u>	<u>583,635</u>
<b>Cash and cash equivalents, ending balance (Note 14)</b>	<u>586,758</u>	<u>447,221</u>

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

**Notes to the Financial Statements**  
**30 June 2016**

**1. General**

Securities Investors Association (Singapore) (the “association”) is registered in Singapore under the Societies Act, Chapter 311. The financial statements are presented in Singapore dollars. The association is a Charity registered under the Charities Act, Chapter 37 with effect from 8 May 2015. It is also an Institutions of a Public Character (“IPC”) registered under the Charities Act (Cap. 37) for one year with effect from 6 August 2015 and was renewed for another two years from 6 August 2016.

The management committee approved and authorised these financial statements for issue on the date of the statement by management committee.

The principal activities of the Association are those of providing forum discussion of investment interests of members; presenting views to Singapore Exchange and other appropriate bodies, providing educational information and conducting research into all aspects of investments to and advisory services to members; and to act on behalf of members in Court of law, tribunals, conferences and administrative bodies to protect the interest of members.

The registered office address is: 7 Maxwell Road, #05-03, MND Building, Annexe B, Singapore 069111. The association is situated in Singapore.

**Accounting convention**

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”) and the related Interpretations to FRS (“INT FRS”) as issued by the Singapore Accounting Standards Council and the provisions of the Charities Act, Chapter 37 and the Societies Act, Chapter 311. 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 FRS may not be applied when the effect of applying them is immaterial. The disclosures required by FRS need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

**Basic 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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**2. Significant accounting policies and other explanatory information**

**2A. Significant accounting policies**

**Revenue recognition**

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the ordinary activities of the association and it is shown net of related tax and subsidies.

(i) Sponsorship

Sponsorship income is recognised upon the association performs an act or service.

(ii) Membership fees

Membership fees for activities held are recognised when the services are rendered.

(iii) Interest Income

Interest revenue is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

(iv) Donations

Revenue from donations are accounted for when received, except for committed donations that are recognised when the commitments are signed. Donations related to depreciable assets are usually recognised in the statement of financial activities over the periods necessary to match the depreciation of assets to which the donations relate.

(v) Seminars and conference

Revenue from rendering of services that are of short duration is recognised when the services are completed.

**Grants**

Government grants and similar non-government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income. The deferred grants are recognised in the statement of financial activities over the period necessary to match the depreciation of assets to which the grants relate.

**2. Significant accounting policies and other explanatory information (cont'd)**

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

**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 agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). 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.

**Income tax**

As a charity, the association is exempt from tax on income and gains falling within section 13U(1) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax changes have arisen in the association.

**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 recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

**Plant and equipment**

Depreciation is provided on a straight-line basis 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:

Plant and Equipment – 3 to 5 years

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.

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. 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.

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**2. Significant accounting policies and other explanatory information (cont'd)**

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

**Plant and equipment (cont'd)**

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 15 on non-current provisions.

**Leases**

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense 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. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. 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. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**2. Significant accounting policies and other explanatory information (cont'd)**

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

**Impairment of non-financial assets**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at 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 assets**

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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**2. Significant accounting policies and other explanatory information (cont'd)**

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

**Financial assets (cont'd)**

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

**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.

**2. Significant accounting policies and other explanatory information (cont'd)**

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

**Financial liabilities**

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

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**2. Significant accounting policies and other explanatory information (cont'd)**

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

**Fair value measurement**

Fair value is taken to be 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 (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. 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. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, 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; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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.

**2. Significant accounting policies and other explanatory information (cont'd)**

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

**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 period they occur.

**2B. Other explanatory information**

**Funds**

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

**Reserve policy**

The reserves of the association provide financial stability and the means for the development of the association's activities. The association intends to maintain the reserves at a level sufficient for its operating needs. The management committee reviews the level of reserves regularly for the association's continuing obligations.

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**2. Significant accounting policies and other explanatory information (cont'd)**

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

There were no 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. There were no 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 within the next financial year.

**3. Related party relationships and transactions**

FRS 24 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.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from the association for which they are responsible, or from institutions connected with the association except as disclosed below.

The association paid individual expenses incurred by office bearers for services provided to the association, either by reimbursement of the office bearer concerned or by direct payment to a third party. The aggregate amount of those expenses for 2016 and 2015 is disclosed in Note 3A.

**3A. Related parties:**

	<u>2016</u>	<u>2015</u>
	\$	\$
Reimbursement of expenses to the Chief Executive Officer ("CEO")	6,089	5,580
Speaker fees to committee members	–	6,000
Expenses paid to a related party	<u>200</u>	<u>9,000</u>

**3B. Key management compensation:**

	<u>2016</u>	<u>2015</u>
	\$	\$
Salaries and other short-term employee benefits	<u>267,960</u>	<u>276,148</u>

Key management personnel are 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 is for the Chief Executive Officer.

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**4. Income**

	<u>2016</u>	<u>2015</u>
	\$	\$
Investors' choice award	255,500	351,225
Subscriptions	11,329	16,687
Seminars and conferences	417,921	491,258
Shareholders' communication services	137,002	232,014
Sponsorship	408,666	840,689
Donation (Note 4A)	1,018,116	106,700
Other income	211	14,727
	<u>2,248,745</u>	<u>2,053,300</u>

**4A. Donations**

	<u>2016</u>	<u>2015</u>
	\$	\$
This item includes the following:		
Tax-deductible donations <sup>(1)</sup>	1,007,116	–
Non-tax-deductible donations	11,000	106,700
Total	<u>1,018,116</u>	<u>106,700</u>

<sup>(1)</sup> The association enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the association. This status was renewed for 2 years with effect from 6 August 2016 under the Charities Act. For period from 1 January 2015 to 31 December 2015, the qualifying donors are granted 3 times tax deductions for the donations made to the association.

**5. Interest income**

	<u>2016</u>	<u>2015</u>
	\$	\$
Interest on fixed deposits	<u>1,602</u>	<u>1,591</u>

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**6. Other gains and (other losses)**

	<u>2016</u>	<u>2015</u>
	\$	\$
Government grants	41,763	19,404
Bad debts written off – (loss) / reversal	<u>(1,120)</u>	<u>2,282</u>
	<u>40,643</u>	<u>21,686</u>
Presented in statement of financial activities as:		
Other gains	41,763	21,686
Other losses	<u>(1,120)</u>	<u>–</u>
Net	<u>40,643</u>	<u>21,686</u>

**7. Services consumed**

	<u>2016</u>	<u>2015</u>
	\$	\$
Investors' choice award	255,088	243,981
Event expenses	84,130	84,432
Seminars, courses and conferences	218,713	373,450
Website expenses	<u>41,433</u>	<u>52,423</u>
	<u>599,364</u>	<u>754,286</u>

**8. Employee benefits expense**

	<u>2016</u>	<u>2015</u>
	\$	\$
Short term employee benefits expense	1,118,757	958,187
Contributions to defined contribution plan	126,600	107,715
Other benefits	<u>2,422</u>	<u>762</u>
Total employee benefits expense	<u>1,247,779</u>	<u>1,066,664</u>

**9. Other operating expenses**

The major components and other selected components include the following:

	<u>2016</u>	<u>2015</u>
	\$	\$
Investor education expenses	18,519	36,859
Rental of office equipment	7,260	6,600
Rental of office premise	<u>163,584</u>	<u>101,408</u>

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**10. Income tax**

The association is registered as charity with effect from 8 May 2015. Consequently, the association is exempt from tax on income and gains falling within section 13U (1) of the Income Tax Act to the extent that these are applied to its charitable objects.

**11. Plant and equipment**

	<u>Plant and equipment</u> \$
<u>Cost:</u>	
At 1 July 2014	136,905
Additions	<u>8,393</u>
At 30 June 2015	145,298
Additions	<u>48,521</u>
At 30 June 2016	<u>193,819</u>
 <u>Accumulated depreciation:</u>	
At 1 July 2014	129,763
Depreciation for the year	<u>6,168</u>
At 30 June 2015	135,931
Depreciation for the year	<u>16,607</u>
At 30 June 2016	<u>152,538</u>
 <u>Net book value:</u>	
At 1 July 2014	<u>7,142</u>
At 30 June 2015	<u>9,367</u>
At 30 June 2016	<u>41,281</u>

**12. Trade and other receivables**

	<u>2016</u> \$	<u>2015</u> \$
<u>Trade receivables:</u>		
Outside parties	<u>184,995</u>	<u>230,964</u>
 <u>Other receivables:</u>		
Outside parties	3,894	–
Deposits	<u>42,396</u>	<u>81,714</u>
Sub-total	<u>46,290</u>	<u>81,714</u>
Total trade and other receivables (Note 18A)	<u>231,285</u>	<u>312,678</u>

**13. Other assets**

	<u>2016</u> \$	<u>2015</u> \$
Prepayment	<u>37,775</u>	<u>1,584</u>

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**14. Cash and cash equivalents**

	<u>2016</u>	<u>2015</u>
	\$	\$
Not restricted in use (Note 18A)	<u>586,758</u>	<u>447,221</u>
Interest earning balances	<u>153,263</u>	<u>253,066</u>

The rate of interest for the cash on interest earning balances was between was 0.40% to 0.70% (2015: 0.40% to 0.70%).

**15. Other liabilities, non-current**

	<u>2016</u>	<u>2015</u>
	\$	\$
Provision for restoration cost	<u>38,000</u>	<u>—</u>
Movement in above provision		
Balance at beginning of the year	—	—
Additions	<u>38,000</u>	<u>—</u>
Balance at end of the year	<u>38,000</u>	<u>—</u>

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased properties. The estimate is based on quotations from external contractors.

**16. Trade payables**

	<u>2016</u>	<u>2015</u>
	\$	\$
Outside parties and accrued liabilities (Note 18A)	<u>164,246</u>	<u>67,516</u>

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**17. Other liabilities, current**

	<u>2016</u>	<u>2015</u>
	\$	\$
Deferred income (Note 17A)	<u>166,980</u>	<u>259,667</u>

**17A. Deferred income**

	<u>2016</u>	<u>2015</u>
	\$	\$
Unutilised fund from:		
Sponsorship	69,167	105,834
Shareholder communication services	21,084	103,833
Others	<u>76,729</u>	<u>50,000</u>
Total deferred income	<u>166,980</u>	<u>259,667</u>
Movement in above balance:		
Balance at beginning of the year	259,667	268,371
Received / receivable during the year	502,981	610,000
Utilised during the year	<u>(595,668)</u>	<u>(618,704)</u>
Balance at end of the year	<u>166,980</u>	<u>259,667</u>

The movements of deferred revenue relates to sponsorship for shareholder communication program and investor education program. The income is recognised over the sponsorship period.

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**18. Financial instruments: information on financial risks**

**18A. 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:

	<u>2016</u>	<u>2015</u>
	\$	\$
<u>Financial assets:</u>		
Cash and cash equivalents (Note 14)	586,758	447,221
Trade and other receivables (Note 12)	231,285	312,678
At end of the year	<u>818,043</u>	<u>759,899</u>
<u>Financial liabilities:</u>		
Trade payables (Note 16)	164,246	67,516
At end of the year	<u>164,246</u>	<u>67,516</u>

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

**18B. Financial risk management**

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the association's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk and liquidity risk. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

The association is not exposed to significant interest rate and currency risks.

**18. Financial instruments: information on financial risks (cont'd)**

**18C. 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 both 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.

**18D. 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 consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the association could have to pay if the guarantee is called on; and the full amount of any payable commitments 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. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with clients is controlled by setting limits on the exposure to individual clients and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and clients unless otherwise disclosed in the notes to the financial statements below.

As part of the process of setting client credit limits, different credit terms are used. The average credit period generally granted to trade receivable clients is about 30 days (2015: 30 days). But some clients take a longer period to settle the amounts.

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**18. Financial instruments: information on financial risks (cont'd)**

**18D. Credit risk on financial assets (cont'd)**

At the end of reporting year, the trade receivable amounts that are past due but not impaired are as follows.

	<u>2016</u>	<u>2015</u>
	\$	\$
Trade receivables:		
31 to 60 days	–	36,380
61 to 180 days	11,193	41,516
More than 180 days	1,605	33,833
Total	<u>12,798</u>	<u>111,729</u>

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivable as at the end of reporting year:

	<u>2016</u>	<u>2015</u>
	\$	\$
Top 1 clients	53,500	53,500
Top 2 clients	107,000	85,600
Top 3 clients	<u>112,350</u>	<u>101,650</u>

**18E. Liquidity risk – financial liabilities maturity analysis**

There are no non-current financial liabilities at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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 days (2015: 30 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.

**19. Operating lease payment commitments – as lessee**

At the end of the reporting year, the totals of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Not later than one year	171,144	170,784
Later than one year and not later than five years	<u>192,564</u>	<u>346,568</u>
Rental expenses for the year	<u>170,844</u>	<u>108,008</u>

Operating lease payments are for rentals payable for office which expires on 30 June 2018 and office equipment which expire on 1 July 2018 and 30 April 2021. The lease rental terms are negotiated for an average term of three to five years and rentals are not subject to an escalation clause.

**20. Changes and adoption of financial reporting standards**

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS (“INT FRS”) were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 1	Amendments to FRS 1: Disclosure Initiative (early application)
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions
Various	Improvements to FRSs (Issued in January 2014). Relating to FRS 113 Fair Value Measurement FRS 16 Property, Plant and Equipment FRS 24 Related Party Disclosures
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 113 Fair Value Measurement

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**21. New or amended standards in issue but not yet effective**

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") 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 material adjustments to the financial position, results of operations, or cash flows for the following year.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 16 & 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018
FRS 116	Leases	1 Jan 2019

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## Our Donors

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