

————— ANNUAL REPORT 2016/2017 —————

INCREASING RELEVANCE IMPROVING ACCOUNTABILITY

• *Educating* • *Protecting* • *Resolving*



Securities Investors Association (Singapore)

Contents

President's Message	2
Annual General Meeting Agenda	5
Minutes of 17th Annual General Meeting	6
Appointment of First Chief Patron	8
Management Committee 2015 – 2017	9
Governance Report	11
Our People	20
SIAS Vision & Mission	21
Management Committee's Annual Report 2017	22
SIAS Activities	
i. Summary of SIAS Activities	
ii. Investor Education	
iii. Investor Rights	
iv. Corporate Governance	
v. Shareholder Communication Programme	
Financial Statements 2016/17	40
List of Donors	67

President's Message

Dear Members and Investors

The theme of this year's annual report is *"Increasing Relevance and Improving Accountability"*. We continue to record many new "firsts" for SIAS in our 17 year history, increasing our relevance.

Representing Bond Holders

One area which SIAS has recently ramped up, is in representing bond holders in a default and/or restructuring situation, providing a platform for individuals to aggregate. Previously, bond holders had no alternative but to appoint their own lawyers to represent them. By bringing bond holders and issuers together, SIAS aims to facilitate a win-win situation so that investors do not lose all their investments and work towards a solution for all stakeholders. To this end, SIAS was instrumental in appointing steering committees and legal advisors to help bondholders.

These are trying times, especially for the companies in the maritime, oil and gas sector. There is a need for all stakeholders to work together; otherwise, the only outcome is liquidation which is not in the interest of investors.

Q&A on Annual Reports

SIAS has managed to secure funding from Regulators and commenced issuing companies questions on their annual reports. This initiative helps retail investors seek accountability, improve the quality of meetings and transparency of companies by posing questions on company's annual report on their corporate governance practices, company strategy and financial statements. Last financial year saw 200 companies covered and this will be extended to 350 companies this year.

The companies covered and the questions posed can be found on the SIAS website. While companies are requested to address these questions at the AGM and publish the answer as an announcement on SGX, shareholders can also raise them at the AGM so as to ensure that companies respond to the questions. It is only through the collective efforts of all stakeholders that we can raise the level of transparency and corporate governance in Singapore.

Scam Investment Education Campaign

Over the years, news of local investors losing their money on unregulated investment schemes have been appearing intermittently in the media. In many cases, even seasoned investors were scammed. In a poll ran by the Institute for Financial Literacy (IFL), 58% of respondents encountered a scam, while 27% lost money to a scam.

These unregulated investment schemes offer different types of products with various underlying assets, ranging from overseas properties to commodities. However, the tactics used are often similar – posh offices and demonstrations to "awe" investors and establish legitimacy, pressure tactics (e.g. limited time offers) and the attractive promises of high returns and capital guarantees.

Despite the adage of "If it's too good to be true, it probably is", investors still ended up falling prey. Greed, over-confidence and savvy manipulation by the scammers are key reasons that investors ended up succumbing to these scams.



President's Message

Therefore, SIAS and MoneySENSE came together to create an innovative experiential campaign to raise consumers' self-awareness of their vulnerability to falling prey to investment scams; empower consumers to better identify "red flags" of such investment scams; and encourage consumers to deal with regulated entities when looking to invest.

SIAS and MoneySENSE took the bold step to set up two fake investment schemes, designed to look like typical investment schemes based on common tactics used by fraudsters and then used these fake investment schemes to highlight "red flags". We then followed up with an education campaign to "Ask, Check & Confirm" so as to avoid investment scams. The two fake investment websites attracted a total of 31,469 users with the main education website garnering nearly 65,000 users.

Charity Governance Conference

Another first for SIAS was the appointment by the Charity Council to organise the 3rd Charity Governance Conference, as part of the Singapore Corporate Governance Week, and to bring together corporates and charities to improve their governance practices. We are indeed honoured to be able to host this event successfully and we look forward to being able to share best practices annually.

Continuing to Educate and Helping Investors Make Informed Decisions

At the core of what we do, we continue to educate investors to help them make informed and smart investment decisions. We continue to work with People's Association to educate the community at large, especially the elderly, to help them avoid financial abuse. We continue to advance our investor education courses to cover all levels and segments and develop online content. Thus far, SIAS has served over 162,000 citizens who have attended 1,225 investor education programmes since 2000. Just last year, SIAS organized 96 investor education programmes. This would not be possible without the continued support of our Investor Education sponsors and donors.

We have also helped many shareholders make sense of corporate actions, especially in privatisation issues. We held 12 dialogue sessions over the course of the financial year and helped guide shareholders in SMRT's, ARA Asset Management's and Auric Pacific's privatisation offers. We also facilitated the dialogue between shareholders of Sabana REIT, Healthway Medical and Si2i regarding corporate actions in the companies, just to name a few; and we will continue to help guide investors in corporate actions so as to help them make informed decisions regarding their investments.

Investors can also turn to SIAS should they have questions regarding their investments. At the SIAS Investment Clinics held quarterly investors address their issues and concerns directly with to a panel consisting of a corporate lawyer, financial advisor and a broker.

While the investment climate can be full of uncertainty, we aim to provide guidance and help investors invest with confidence with our host of seminars and workshops. At the end of the day, we are all responsible for our own future and I certainly hope SIAS is there to help investors be adequately prepared to face the future confidently.

Our Financial Position

This year, our total income jumped to \$3.12m from \$2.25, an increase of 38.7%. The increase was predominately due to the funding we received for the Scam Investment Education campaign. We also received more sponsorship and contributions from seminars and conferences. But this was offset by lower donations received last year. Despite the increase in the number of activities and initiatives the Association undertook last year, we were diligent in managing the expenses and staff cost, with employee related expenses falling 10.8%; and the Association managed to record a surplus of \$172,325.

President's Message

Moving forward, the Association will be looking to improve its reserves as we continue to push for new donors from various fund raising activities so as to improve the long term sustainability of the Association.

Improving Accountability

As a charity, we too are accountable to our stakeholders and donors. We believe that transparency is paramount to maintain our credibility as an investor body. We have taken the step to publish our Governance Evaluation Checklist as "Comply and Explain" – putting explanations as to how SIAS, as a charity, complies with each aspect of the code as far as possible. We also disclose, to the dollar, the amount of donations and list of donors.

This year, we have taken the additional step to publish the feedback from our seminars and workshops in an attempt to determine the impact of the education programmes on our participants. These efforts are to improve our accountability as a charity to our donors and stakeholders. We will continue to find new ways of measuring the impact of our programmes.

Our Chairman

The role of the Chairman is to ensure President and Management Committee complies with the Constitution and act in the interest of the Association. Mr Magnus Böcker, succeeded Mrs Lim Hwee Hua on 1st February 2017 as the 4th SIAS Chairman.

His first job was to meet the Management Committee at a retreat on 27th February 2017 to listen to our strategic plans and objectives. He had himself some suggestions; in particular, he was interested in SIAS pursuing an independent funding model and wanted to help us achieve that. However, sadly he passed away unexpectedly on 26 July 2017. We remain grateful to him for coming forward to help SIAS despite his medical condition. SIAS is now in the process of nominating a successor.

The Road Ahead

As we continue to forge ahead to improve our relevance in the Singapore financial markets, the challenge has been having an independent and consistent funding source. As a charity and IPC, we have managed to grow our donations; but we now need to grow the pool of donors supporting SIAS.

SIAS will continue to work with the regulators, SGX, ACRA and MAS, to achieve success in our endeavours and bring about investor relations peace in our market place.

The Association also needs to rejuvenate and refresh itself. This AGM will see new faces on the SIAS Management Committee with some of the longer serving members stepping down to make way for new members. I look forward to working with the new Committee Members to bring new perspectives to SIAS and the investor community.

David Gerald J
Founder, President and CEO

18th Annual General Meeting Agenda



1.

To confirm minutes of AGM held on 26th October 2016



2.

To receive Annual Report and adopt the Audited Accounts for the year ended 30th June 2017



3.

To elect members to the Management Committee 2017 - 2019



4.

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



5.

To appoint Auditors for the ensuing year

By the Order of the Management Committee
Harold Woo
Honorary Secretary

Minutes of 17th Annual General Meeting

Held On	: 26 October 2016
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 Loh Uantchern, Vice President Mr Harold Woo, Hon. Secretary Mr Robin Chin Sin Beng, Hon. Treasurer Prof Jeremy Goh, Asst. Hon. Treasurer

1. The meeting was called to order by Chairman at 7.00pm with the 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 26, 2015 which was posted on the website. Mr Teo Lye Hock proposed that the minutes be passed with Mr Ang Saw Kim seconding the motion. There being no objection, the minutes were passed.

3. Annual Report 2015/16

Chairman summarised the Management Committee's Annual Report 2016 and ran through the major events. He highlighted that as the first annual report following SIAS becoming a charity and IPC, SIAS has published its Governance Report according to the Code of Governance for Charities and IPCs.

As a charity, SIAS is focused on educating the community and has collaborated with People's Association and conducted education in 12 CCs with 25 events. Chairman reported that SIAS has been recognised with the Merit Award for PA Community Spirit Award.

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.

He reiterated the Association's mandate is to champion investor rights and highlighted championing issues like Tiger Airways' offer, governance issues at SingPost, and guided shareholders on privatizations offer for SMRT and NOL among others. He reiterated the approach of "in the boardroom and not the courtroom" as the main engagement policy for SIAS.

Chairman also discussed the membership fee reduction from \$30 to \$12 was to encourage more investors to join SIAS.

Chairman asked for the annual report to be passed. Mr Philip Smith proposed to pass the annual report with Ms Low Mei Lin seconding the motion. There being no objections, the Annual Report was passed.

Minutes of 17th Annual General Meeting

4. **Adoption of Audited Accounts for July 2015 to June 2016**

The Hon. Treasurer, Mr Robin Chin presented the Audited Accounts for July 2014 to June 2015. Despite the tough external environment, as a Charity and IPC, SIAS managed to leverage its status and collect more donations as the Association was now able to provide tax receipts. Total income grew 9.5% to \$2,248,745 mainly from increase in donations, which more than offset the fall in sponsorship, and Shareholder Communication Services revenue. Total expenses rose 5% as a result of the increase in office rental and employee benefits. Nevertheless, services consumed fell as less expense was incurred for the Corporate Governance Conference and the Association made a surplus of \$84,206.

Mr Wong Kin Yong proposed to pass the audited accounts and Mr Philip Smith seconded the motion. There being no objection, the Audited Accounts were accepted.

5. **Reappointment of Auditors**

Chairman highlighted that RSM were appointed to a 2-year term last year and thus reappointed for next year.

6. **Any Other Business**

Chairman informed that SIAS has not received any request in writing for an item to be discussed or transact any other business 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 7.30 pm.

Harold Woo
Hon. Secretary

Appointment of First Chief Patron



Dr Tony Tan Keng Yam
former President
Republic of Singapore

First Chief Patron

SIAS is pleased to announce that Dr Tony Tan Keng Yam, former President, has kindly accepted our invitation to become the first Chief Patron of SIAS with effect from 12 October 2017.

Dr Tan is a distinguished statesman and SIAS is honoured to have him as our first Chief Patron. We are certain that, with his support, SIAS would be able to soar to greater heights.

Management Committee 2015 – 2017



SIAS Honorary Chairman
Mrs Lim Hwee Hua

*Date appointed as Chairman:
21 October 2013 - 31 January 2017*



SIAS Honorary Chairman
Mr Magnus Böcker*

*Date appointed as Chairman:
1 February 2017*

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 Founder/ President: June 1999
May 2000 appointed as CEO*



Mr Loh Uantchern
Vice President

*Date elected to MC: September 2011; as
Hon Secretary: October 2013 - October
2015; as Vice President: October 2015*



Mr Harold Woo
Hon. Secretary

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

** Mr Magnus Böcker passed away on 26 July 2017. SIAS is in the process of nominating a successor.*

Management Committee 2015 – 2017



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*



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. She stepped down in January 2017.

Mr Magnus Böcker, succeeded Mrs Lim Hwee Hua on 1st February 2017. His first job was to meet the Management Committee at a retreat on 27th February 2017 to listen to our strategic plans and objectives. He had himself some suggestions, in particular, he was interested in SIAS pursuing an independent funding model and wanted to help us achieve that. However, sadly he passed away on 26 July 2017. SIAS is in the process of nominating a successor.

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 permitted by Constitution. As a good governance practice and provide oversight to the President and Management Committee, 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.

Composition of the Management Committee

The Management Committee strives to ensure that the members, as a group, have core competencies in areas such as accounting and finance, management, law, strategic planning, social enterprise and community-related experience and that they bring on board a degree of diversity and viewpoints, expertise and experiences. No Management Committee member shall be related to another member by blood or marriage. Except for the Founder and President, who is also the CEO and staff of the Association, and is a member of the Management Committee allowed by the Constitution, no other staff is on the SIAS Management Committee. In addition, other members of management are invited from time to time to attend and make presentations at Management Committee meetings.

The Management Committee believes that to be effective it should not be too large, whilst at the same time ensuring that there is sufficient range and diversity of expertise and viewpoints. Our Management Committee size ensures a good balance between continuity, renewal, and compliance with charity regulations. The Management Committee has a formalised process for the appointment/re-appointment of committee members; including the President and members of Governance Committees and forms part of the Constitution. All candidates have to be cleared by the Nomination Committee to ensure compliance with the requirements of the Constitution.

Governance Report

Our Governance Framework

Management Committee Meetings

The Management Committee met six (6) times during the financial year ended 30 June 2017, on the following dates:

1st August 2016 27th February 2017
 20th Oct 2016 21st April 2017
 5th December 2016 19th June 2017

As and when needed, the Management Committee may also hold additional meetings. In addition, the Management Committee and the Chairman participated in annual strategy retreats to review the vision, mission and strategies of SIAS and also to review performance.

Name	Attendance - out of 6 meetings	Name	Attendance - out of 6 meetings
Mr David Gerald <i>President</i>	6	Mr Ang Hao Yao <i>Committee Member</i>	4
Mr Loh Uantchern <i>Vice President</i>	3	Mr Lim Chuang <i>Committee Member</i>	5
Mr Harold Woo <i>Hon. Secretary</i>	6	Mr Melvin Yong <i>Committee Member</i>	2
Mr Robson Lee <i>Asst. Hon. Secretary</i>	2	Mr Andrew Liew <i>Committee Member</i>	5
Mr Robin Chin <i>Hon. Treasurer</i>	1	Mr Christopher Tan <i>Committee Member</i>	2
Prof Jeremy Goh <i>Asst. Hon. Treasurer</i>	1	Mr Lawrence Leow <i>Committee Member</i>	4

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
*Director,
 Credit Counselling
 Singapore /
 Committee Member, SIAS*

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*

Governance Report

Our Governance Framework

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.

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
Former Banker*

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/
Vice President, SIAS*

Members

Mr Robin Chin
*CPA Partner,
Foo Kon Tan LLP/
Hon. Treasurer, SIAS*

Mr Andrew Cheng
*Chief Operating Officer,
Kingsmen*

Governance Report

Our Governance Framework

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
BOARD GOVERNANCE				
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	The Constitution provides for the President, who is also the Founder to be CEO of the Association. He is the only staff on the Management Committee. The rest of the Management Committee are independent volunteers.
3	Staff does not chair the Board.	1.1.2	Not Complied	The President 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	The Treasurer's position is for a maximum of two consecutive years under the Constitution.
5	There are Board committees (or designated Board members) with documented term of reference.	1.2.1	Complied	The committees, namely, Audit, Remuneration and Nomination committees have their own terms of reference.
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	The Management Committee regularly meets with a quorum of at least 50%.
CONFLICT OF INTEREST				
7	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board.	2.1	Complied	The conflict of interest policy is reproduced in this Annual Report and each Management Committee member and staff is to declare their conflict of interest as per the policy.

Governance Report

Our Governance Framework

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
8	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	Complied	
STRATEGIC PLANNING				
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	The Management Committee reviews annually the vision and mission of the Association and updated on the website and Annual Report accordingly.
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	The Management Committee approves the Annual Plan and reviews the activities on an ongoing basis.
HUMAN RESOURCE MANAGEMENT				
11	The Board approves documented human resource policies for staff.	5.1	Complied	An Employee Handbook, approved by the Management Committee, is provided to all staff and this is reviewed and updated periodically.
12	There are systems for regular supervision, appraisal and professional development of staff.	5.6	Complied	The Association conducts bi-Annual performance appraisals. The Association also supports staff professional development and encourages self – improvement.
FINANCIAL MANAGEMENT AND CONTROLS				
13	The Board ensures internal control systems for financial matters are in place with documented procedures.	6.1.2	Complied	The Association has documented internal processes for finance and purchasing.
14	The Board ensures reviews of the charity's controls, processes, key programmes and events.	6.1.3	Complied	The Association's key programmes and events are updated at Management Committee meetings regularly.
15	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure.	6.2.1	Complied	The Management Committee through the oversight of the Treasurer approves the Association's annual plan and budget. The Management Committee reviews and tracks the budget at every meeting.
16	The charity discloses its reserves policy in the annual report.	6.4.1	Complied	
17	Does the charity invest its reserves.		No	

Governance Report

Our Governance Framework

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
FUNDRAISING PRACTICES				
19	Donations collected are properly recorded and promptly deposited by the charity.	7.2.2	Complied	Donations and list of donors are disclosed to the dollar and is appended in the Annual Report.
DISCLOSURE AND TRANSPARENCY				
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	The Annual Report is available on the SIAS website which includes information on its programmes, activities, audited financial statements, Management Committee and staff of the Association.
21	Are Board members remunerated for their Board services?		No	No Management Committee member is remunerated for their service as a Management Committee member. The President, who is the CEO is remunerated for his role as CEO only.
24	Does the charity employ paid staff		Yes	
25	No staff is involved in setting his or her own remuneration.	2.2	Complied	The Remuneration Committee reviews the performance and remuneration of the senior management including the CEO. The Remuneration Committee reviews the remuneration of all other staff on the recommendation of the CEO.
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	The Association has disclosed remuneration in bands of \$50,000 of the executives earning in excess of \$100,000
PUBLIC IMAGE				
27	The charity accurately portrays its image to its members, donors and the public	9.1	Complied	

Governance Report

Our Governance Framework

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:
 - a. Cause damage to the Charity's reputation which may lead to its inability to sustain operations;
 - b. Influence the members' judgment and compromise objectivity when conducting the Charity's affairs;
 - c. Restrict free discussion, thus resulting in decisions or actions that are not in the interests of the Charity; and
 - d. 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:
 - a. Direct interest – ownership in the name of the member/staff;
 - b. Indirect interest – ownership beneficially held through another investment, estate, trust or other intermediary;
 - c. Vested interest – personal stake or involvement, which may or may not include an expectation of financial gain; and
 - d. Deemed interest – a member/ staff is deemed to have an interest which his/her spouse/ domestic partner holds an interest.
- 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
 - a. Management Committee and management members to declare their interests, and any gifts or hospitality received in connection with their role in the Charity; and
 - b. 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
 - a. 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:
 - i. hiring a relative or friend as an employee or vendor,
 - ii. buying or selling goods or services from / to a family business for which others might compete,
 - iii. having a personal relationship where there is an immediate reporting relationship,
 - iv. volunteering and/or having memberships in any other charities, or
 - v. 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.

Governance Report

Our Governance Framework

- 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. Operating Procedures

- 4.1 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 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.

Governance Report

Our Governance Framework

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.

	2017 \$	2016 \$
Unrestricted income fund	700,198	527,873
Ratio of reserves to annual operating expenditure	0.23	0.24

Disclosure Of Key Remuneration

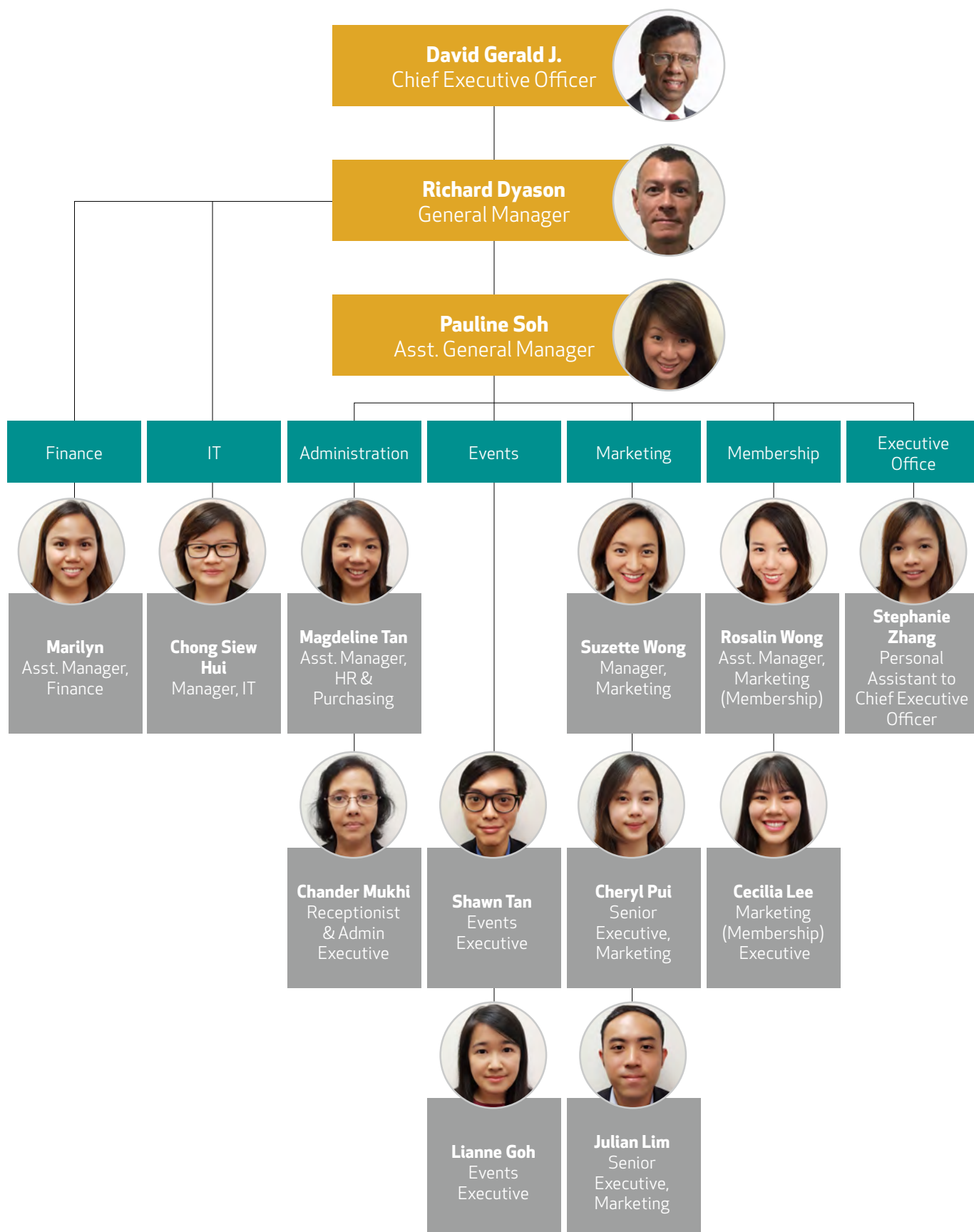
Under the revised Code of Charities and IPCs 2011, it is recommended that charities disclose the remuneration of the three highest paid staff who each received remuneration exceeding \$100,000, in bands of \$100,000. SIAS has chosen to disclose the staff remuneration above \$100,000 in bands of \$50,000.

	2017	2016
\$250,001 - \$300,000	1	1
\$200,001 - \$250,000	0	0
\$150,001 - \$200,000	0	0
\$100,001 - \$150,000	1	1

Disclosure Of Overseas Expenditure

Over the course of the financial year, SIAS staff went to Batam, Indonesia for a staff retreat. The total expenses for the staff retreat amounted to S\$5667.

Our People



Information is correct as of 30th June 2017.

SIAS Vision & Mission

Our Vision

An educated, engaged and empowered investment community

Our 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 2017

Introduction

SIAS Activities

Summary of SIAS Activities

Over the course of the year, SIAS conducted 140 activities reaching out to 14,039 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.

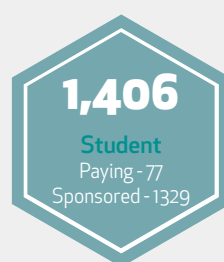
Description	No. of Activities	No. of Attendees
Dialogue Sessions / Investor Rights Activities	26	1,298
Investor Education Programmes	66	6,051
Singapore Investment Week	14	3,352
8th Corporate Governance Week	6	1,455
SIAS Youth Chapter	16	1,883
Roadshows	12	N.A
Total	140	14,039

Membership

SIAS inducted Mr Tan Peng Hock Mr as Distinguished Honorary Members as he was a strong advocate for SIAS and believed in our mission. He is also currently Advisor of Singapore Technologies Engineering Ltd, one of the largest companies listed on the Singapore Exchange by market capitalization. ST Engineering is an integrated engineering group with a global presence and specialising in the aerospace, electronics, land systems and marine sectors.

During the course of the year, SIAS continued to reach out to Founder members to update their data. Founder members were first sent emails followed by messages to their registered mobile numbers registered with SIAS. SIAS is now conducting telemarketing to Founder members to update their personal particulars. As this is a time consuming and costly affair, the exercise is conducted in batches.

Membership figures as of June 2017



Management Committee's Annual Report 2017

Investor Education

New Programmes

1. Investment Scam Education campaign with MoneySENSE

Over the years, news of local investors losing their money to unregulated investment schemes have been appearing now and then in the media. In many cases, even seasoned investors were scammed. In a poll ran by the Institute for Financial Literacy (IFL), 58% of 230 respondents have encountered a scam, while 27% lost money to a scam.

These unregulated investment schemes offer different types of products with various underlying assets, ranging from overseas properties to commodities. However, the tactics used are often similar – posh offices and demonstrations to “awe” investors and establish legitimacy, pressure tactics (e.g. limited time offers) and the attractive promises of high returns and capital guarantees.

Despite the adage of “If it’s too good to be true, it probably is”, investors still ended up falling prey. Greed, over-confidence and savvy manipulation by the scammers are key reasons that investors ended up succumbing to these scams.

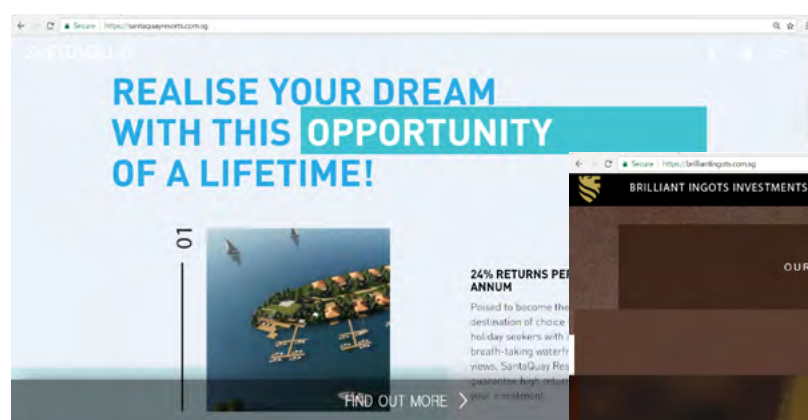
Although MAS is making legislative changes to extend capital markets regulatory safeguards to non-conventional investment products, investors themselves remain the first line of defense against the ever-evolving types of investment scams.

Therefore, SIAS and MoneySENSE came together to:

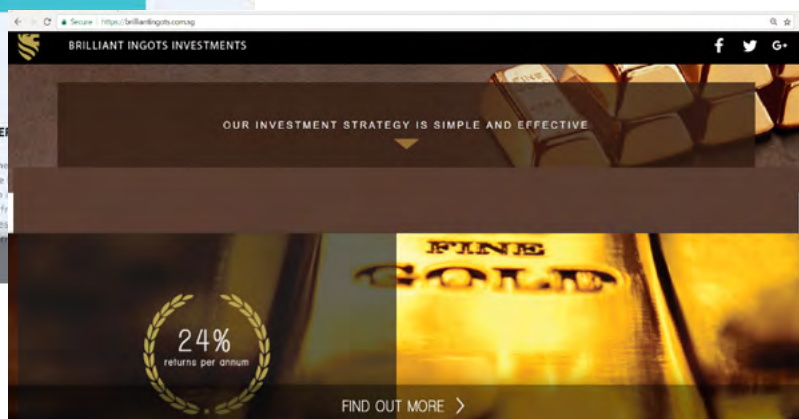
1. Raise consumers’ self-awareness of their vulnerability to falling prey to investment scams.
2. Empower consumers to better identify “red flags” of such investment scams.
3. Encourage consumers to deal with regulated entities when looking to invest.

Solution 1: Experiential learning:

- Set up two fake investment schemes, designed to look like typical investment schemes based on common tactics used by fraudsters.
- Scheme marketed via print and online ads to “entice” potential investors to commit.
- Scheme will be unveiled as a “scam” once the investor tries to find out more, and the learning points of the campaign will be shared with him/her.



www.santaquayresorts.com.sg



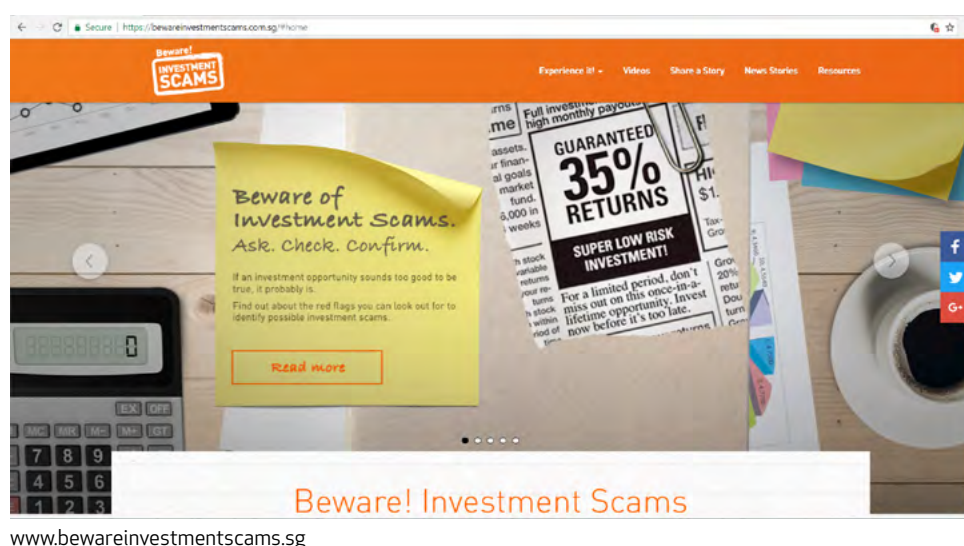
www.brilliantingots.com.sg

Management Committee's Annual Report 2017

Solution 2: Multi-faceted education drive

- Set up Establish an Education website containing key information on avoiding investment scams and call-to-actions, "Ask. Check. Confirm".
- Use multiple channels [newspapers, social media and bloggers, variety shows (Hua Hee Tio Ho) and on the ground outreach such as posters, roadshows, talks etc.] to disseminate call-to-actions and direct drive consumers to the website.
- Convey call-to actions in a light-hearted manner to the public using video starring Hossan Leong; also worked with Dollars & Sense on a social experiment video.

In line with our aim is to empower investors through education and information, what we hope to achieve is that through the "first-hand experience" of dealing with a "scam", consumers can then learn about investment scams and raise self-awareness of their vulnerability to falling prey to scams. With the reinforcement of messages and the learning points through the educational drive, the end result is an empowered investor who is able to identify the red flags of a scam and one who will always ASK.CHECK.CONFIRM before they invest.



2. Enhanced Auditor Report



SIAS, together with The Accounting Corporate Regulatory Authority (ACRA) and the Institute of Singapore Chartered Accountants (ISCA) jointly produced a guide to help investors better engage company directors, management and auditors. The guide helps investors identify significant risk areas in listed companies' financial statements and understand how these areas are audited. The guide is written with the retail investors in mind and focuses on key matters that auditors of listed companies are now required to provide in their reports, following the adoption of the enhanced auditor reporting standards with effect from 15 December 2016.

The guide explains the different types of audit opinions, how unfavourable audit opinions could be identified, and the issues investors should look out for. The guide also includes a list of relevant questions relating to key audit matters that investors could consider raising with directors, management and auditors during AGMs. The guide is available to download from the SIAS website.

Management Committee's Annual Report 2017

3. Investment Clinic

SIAS launched the Investment Clinic in August 2016. The Investment Clinic provides investors with the opportunity to discuss directly with investment and legal experts their issues relating to their investments.

At the launch of the inaugural SIAS Investment Clinic, investors addressed their concerns to the panel of advisors comprising a lawyer, a financial advisor and a broker. The SIAS Investment Clinic is supported by Morgan Lewis Stamford, Maybank Kim Eng and the Financial Planning Association (Singapore).

Issues raised include stocks that has been delisted and how investors can recover value, how to transfer and trade in dual listed HK-SG stocks, queries on the merits of some of the Singapore and Malaysian listed stocks, questions on the performance of a few unit trust, understanding of a company's rights issue and questions on how to exit stalled investment in alternative US investment scheme among many others.

The sessions are held quarterly and 4 sessions were held in the last year.

Feedback

75% of the participants felt that their issues were being addressed.
100% of participants will recommend someone they know to attend this session.

B18 | Invest

The Sunday Times | Sunday, August 28, 2016

Of wealth and health

The Sunday Times highlights two new services for investors and a health insurance plan

Lorna Tan
Invest Editor

TOTAL WEALTH ADVISER (TWA)
BY CITIBANK SINGAPORE
Launched recently, this is a goals-based planning tool that measures performance by the success of investments in meeting a client's personal goals. It is targeted at Citigold customers with assets under management of \$200,000 to \$1 million.

The bank says TWA is the only such holistic platform in the market.

Mr Charles Wong, Citibank Singapore's retail bank head, said: "It is capable of offering a holistic view of our customers' overall financial health covering investments, retirement and insurance among others, in addition to the ability to track and measure the progress of their total wealth portfolio."

"This digital tool makes it so much easier for our customers to monitor their different goals without having to rely on different trackers for each of them."

TWA gives a customer a comprehensive overview of his liabilities and short-term as well as long-term assets, and allows clients to map goals to portfolios based on their risk tolerance, how much resources they have and their time horizon. The aim is to produce an investment portfolio that performs in line with their expectations.

Using a research approach that combines quantitative and qualitative metrics, Citibank identifies a selection of global asset managers and funds with proven money management expertise. TWA will provide customers the ability to track their goals on the go, via online or mobile platforms, as well as incorporate annual reviews of their goals.

Customers will also be provided insights through online videos and

Investment Clinic is a new programme introduced by SIAS. Issues raised at the inaugural session recently included stocks that have been delisted and how investors can recover value. The next session is on Oct 7. PHOTO: SIAS

Investment seminars.

TWA shifts the focus from one centred on short-term performance to a customer's goals. This is in contrast to the traditional investing methodology that defines performance as return against a benchmark.

TWA gives a customer a comprehensive overview of his liabilities and short-term as well as long-term assets, and it allows clients to map goals to portfolios based on their risk tolerance, how much resources they have and their time horizon.

INVESTMENT CLINIC
BY SECURITIES INVESTORS ASSOCIATION SINGAPORE (SIAS)
This is a new programme which allows retail investors with issues regarding their investments to seek assistance face-to-face from a panel of SIAS-appointed experts from the financial and legal fields.

They will help retail investors better understand their investment issues and potentially find avenues to resolve them.

According to SIAS, this is the first time in a SIAS programme that re-

tail investors will have the benefit of seeking guidance from a panel of experts.

SIAS' president and chief executive, Mr David Gerald, said: "Investment Clinic provides yet another avenue for investors to seek help and assistance with their issues from the panel of lawyers, retail brokers and financial advisers face-to-face. Investors will get opinions from these professionals."

"Where necessary, SIAS will assist to follow-up with the various financial institutions to help resolve the issue."

To have a consultation at the Investment Clinic, investors have to be SIAS members and should first provide their particulars and details of the investment issues they are facing by e-mailing SIAS at advising@sias.org.sg.

SIAS will conduct investment clinics every two months. The next session is on Oct 7. However, members

can e-mail SIAS their issues or problems if they are urgent, as in the past, and they will be attended to.

Issues raised at the inaugural session recently included stocks that have been delisted and how investors can recover value, questions on the performance of some unit trusts, understanding a company's rights issue and questions on how to exit a stalled investment in alternative US investment schemes.

The retail investors with these issues were informed about their rights as investors, and where and how to pursue their issues for resolution.

AIA TRIPLE CRITICAL COVER
BY AIA SINGAPORE
This is a health insurance plan that provides coverage for 104 critical illness conditions through the early, intermediate and major stages.

The plan also covers five special conditions, including osteoporosis and diabetic complications, for which AIA will pay out an additional 20 per cent of coverage amount, up to \$25,000 per condition.

Compared with existing critical illness plans in the market that cover only major-stage critical illness, AIA Triple Critical Cover provides a more comprehensive coverage.

It offers a "power reset" feature where the life insured will have his critical illness coverage amount fully restored to 100 per cent once 12 months have passed from the previous claim, even for early-stage critical illness conditions.

Multiple valid claims are permitted up to 300 per cent of the coverage amount.

Upon the death of the life insured, the family will receive from the insurer 100 per cent of the coverage amount (less any critical illness claims paid) and a \$5,000 compassionate benefit.

This plan will appeal to those willing to pay for higher protection for critical illness conditions.

This is because most critical illness plans in the market cease to provide cover after a claim, and it is difficult to obtain further critical illness coverage.

Alternatively, you can consider buying a critical illness rider on a series of cheaper term insurance plans over 10, 15, 20 or 25 years and effectively reduce your cover as you get older, because the older you get, the less protection you need.

Mr Charles Wong of Citibank Singapore says the Total Health Adviser offers a holistic view of a client's overall financial health, and makes it easier to track the progress of one's wealth portfolio.

Mr David Gerald, president of SIAS, says Investment Clinic provides yet another avenue for retail investors to seek help with their investment issues from experts face-to-face.

lornatan@sph.com.sg

The Sunday Times, 28 Aug 2016

Management Committee's Annual Report 2017

4. Analysing REITs Financials for Smart Investing

Many retail investors are seeking yield for their investments. REITs have become a favourite among many retail investors. Therefore SIAS launched the Analysing REITs Financials for Smart Investing workshop so as to better educate REIT investors and shareholder to better understand how to evaluate the financial reports of REITs to make informed investment decisions.

The workshop, which is part of the Analysing Annual Report series, is run by our resident trainer Mr James Leong, covering understanding of accounting principles and how distortions can be caused by depreciation in the financial statements. It also discusses how the macroeconomic factors can play a part in investing in REITs.



Feedback

84.5% of the participants felt that the event content and speaker's knowledge was just right.



 **29 Apr (Sat)**  **2.00pm - 5.00pm**
(Registration starts at 1.30pm)  **SIAS Training Centre**

Analysing REITs Financials for Smart Investing – Part 2

 **Members/ Student ~ \$30**
Non-members ~ \$45  **REGISTER NOW**





Why attend this course?
A real estate investment trust (REIT) is a real estate company that offers common shares to the public. In this way, an REIT stock is similar to any other stock that represents ownership in an operating business. As dividend-paying stocks, REITs are analyzed much like other stocks.

5. Analysing Non-Financial Aspects of Annual Reports

As part of the Analysing Annual Report series, with more and more disclosures of non-financial information including Sustainability Reporting, how does a shareholder make sense of all the data for an informed decision? Today, as more and more investors make investment decisions using non-financial data, there is a need to better understand company disclosures.

This new course, helps shareholders understand the company's governance, business model, performance, sustainability, risk and opportunities from analysing its annual report.



Feedback

96.6% of the participants felt that the event content and speaker's knowledge was just right.

Management Committee's Annual Report 2017

6. Investment Chapters – Revamped in 2017

After running a couple of years, we revamped the Investment Chapter programme this year to be a comprehensive course extending from 3 sessions to 8 sessions. This experiential learning programme, designed to build confidence in self-investing, covers a range of topics from understanding the importance of investing, investment styles like fundamental and technical analysis, investment products like ETFs and REITs, how to create a portfolio and strategies to identify investment ideas. The programme caters for both beginners and those who want to refresh themselves. Participants are provided simulations and given assignments on how to select winning investment ideas. Industry professionals guide the participants to making informed decisions and build their confidence to invest on their own.



Feedback

97.62% of the attendees found the seminar content just right and beneficial.

On-going Investor Education Programmes

7. Singapore Investment Week

Singapore Investment Week (SIW) 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 sixth year of the programme with a main seminar in May and an investment symposium in September.



The theme this year “Building A Secure Future” kicked off on 13th May with two main seminars on “Bull or Bear Market – How will it affect your investment?” and a seminar on “Income Made Simple” with ETFs and REITs, together with a Mandarin seminar and a Corporate Connect seminar featuring presentations from CapitalLand Limited, CNMC, and . This was followed by workshops on trading and investment strategies. The various seminars and workshops was attended by over 3,352 participants.

Feedback

88.8% of the attendees found the content and the seminar was just right.

Management Committee's Annual Report 2017

8. My Money

This national financial literacy programme, "My Money", is organized by SIAS in collaboration with MoneySENSE and the Association of Banks in Singapore (ABS) has been running since 2009. 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.



This year 2 public events were held with the topic – "Investing in Uncertain Times" we speakers from the industry providing a Market Outlook, Investing in a Low Return Environment and the types on investment scams and how to avoid them.

Feedback

96.7% of the participants felt that the event content and speakers' knowledge was just right.

9. 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 is 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. This year, the programme was presented to the students and youths at NTU.

Feedback

80% of the attendees found the seminar content just right and beneficial to kickstart their investment journey.

ADVERTORIAL

MoneySENSE abs SIAS

Start investing from a young age

Tertiary students learn financial do's and don'ts at the recent My Money @ Campus seminar

BY DARIEN CHOONG
SFIN Content Lab

Some undergraduates who want to embark on an investment journey are uncertain about how to start and what kind of products to invest in. They are also worried about not having enough money to start investing. Others are concerned that the volatility in the financial markets may wipe out their savings if they make a wrong move.

The key is to get the fundamentals of investing right, be knowledgeable and diversify risk, said Mr Wee Ee Cheong, deputy chairman and chief executive officer at UOB, and guest of honour at the recent My Money @ Campus seminar.

Held on Feb 22 at Nanyang Technological University (NTU), the seminar attracted more than 370 students. The theme was "Building an Affordable Investment Portfolio".

Investing in yourself and

sound advice on how to build an affordable investment portfolio.

"You need to keep up with the rising cost of living and inflation, as well as planning for your future. Relying on your salary alone is not enough," said Mr Wong Hui Ming, director, head of Wholesale Distribution (South-east Asia) at Henderson Global Investors.

He emphasised the need to get the fundamentals right and start investing from a young age. The funds you invest will be reinvested over the years and earn compound interest. The earlier you start investing, the more likely it is that you will reach your goals, as time is an essential factor in accumulating wealth.

Mr Wong compared investing to riding a bicycle – you will gain momentum but may also get hurt financially, but you learn to pick yourself up and continue with the journey.

Students need to first evaluate their risk return profile and decide on a suitable asset allocation. "For a certain level of risk you take on



Mr Wee Ee Cheong, deputy chairman and chief executive officer at UOB with Dr Douglas Streeter Rolph, senior lecturer, Nanyang Business School.

Photos: MoneySENSE

Sunday Times, 26 Mar 2017

Management Committee's Annual Report 2017

10. Analysing Companies Financials 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 helps 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.

This core investor education programme is presented in two parts, an introduction and an intermediate course, which has been brought back due to greater demand from participants to want to extend their knowledge. This year 6 workshops were conducted.



Feedback

94.9% of the participants felt that the event content and speakers' knowledge was just right.

11. 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. Topics include where to find investment opportunities and how to select good companies to invest in this hands-on and interactive class.



Feedback

85.7% of the participants felt that the event content and speakers' knowledge was just right.

12. Investor Forum

The Investor Forum is organized to highlight topical issues and educate investors on changes in governance and regulations. Learning from industry experts, lawyers and seasoned investors, members pose and have their questions answered at the forum. These sessions encourage members and investors to share and discuss issues and market changes relating to their investments. This year, topics discussed include the Enhanced Auditor Report, SIAS Q&A on Annual Reports, Sustainability Reporting, and ACRA's Financial Surveillance Reporting Programme.



Feedback

90% of the attendees found the topics informative and beneficial especially to prepare for the upcoming AGM season.

Management Committee's Annual Report 2017

13. Understanding Money for Senior Citizens

Understanding Money for Senior Citizens is organized by SIAS, in collaboration with People's Association; the programme was launched in 2015 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 13 Community Centres with 30 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 in 2016.



Feedback

98.38% of the attendees found the seminar content just right and beneficial.

14. Corporate Connect Seminar

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

Seven (7) 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 1,196 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.



Feedback

91% of the participants felt that the event content and speakers' knowledge was just right.

15. Market Outlook and Stock Picks Seminar

Helping investors make informed decisions and to continually monitor their portfolio is something that SIAS advocates actively. Therefore, SIAS continues to organise Market Outlook and Stock Pick seminars to keep investors updated and to consider relevant and potential stocks to invest given the current investment climate

This stand-alone event is complemented by a variety of other events that continue to provide market outlook. Two stand-alone Market Outlook and Stock Pick events were organised last year.



Feedback

89% of the participants felt that the event content and speakers' knowledge was appropriate for their understanding.

Management Committee's Annual Report 2017

16. Youth Investor Education Programme

The SIAS Youth Chapter set up in 2009 is aimed at fostering good financial habits among the youths in Singapore universities. The SIAS Youth Chapter partners with the investment clubs of NUS, NTU, SMU and SIM to provide free membership to their members and supports the education of youth financial literacy.

This year, as part of our on going efforts to engage the youths, SIAS also organised a specific youth symposium, "Get Savvy with Investing" where met with experts from the financial industry give their personal insight. Leaders like SGX's CEO, Mr Loh Boon Chye and DBS' CEO, Mr Piysush Gupta and DBS Vickers Securities' CEO, Mr Lim Kok Ann shared their experiences in investing in a panel. Over 223 youths participated in the event where they also participated in a simulated trading game.



Feedback

90% of attendees enjoyed the session and found the stock game challenge to be fun and beneficial.

Investor Rights

1. Representing Bondholders in Default and Restructuring

One area which SIAS has recently ramped up in is representing bond holders in a default and / or restructuring situation, providing a platform for individuals to aggregate. Previously, bond holders had no alternative but to appoint their own lawyers to represent them. Bringing bond holders and issuers together, SIAS aims to ensure that a win-win situation is reached amicably so that investors do not lose all their investments and work towards a solution for all stakeholders. These are trying times for a lot of the companies in the maritime, oil and gas sector, there is a need for all stakeholders to work together, otherwise the only solution is liquidation. During the year, SIAS helped in the discussion of the following issuers' bonds – Rickmers Maritime, Ezra, Marco Polo Marine and PT Trikomse.

Recently, SIAS, together with law firm Rajah and Tann, sent a proposal to MAS to consider ways to improve bond market and protection of retail bond holders by providing insurance to fund legal and advisory services to bond holders in a default and restructuring situation. While the discussion of our proposal is at its preliminary stage, there is agreement that more needs to be done for retail bond holders in protecting their rights, for the development of our bond market.



The Business Times, 1 November 2016



The Business Times, 18 May 2017

Management Committee's Annual Report 2017

2. Commentaries in Newspapers

SIAS has been providing investors with guidance on corporation actions, specifically in privatisation offer situations, so that they understand conditions of the offer and the rationale of the offer. SIAS also comments on issues on companies helping to provide guidance to bond holders in situations of default and restructuring.

Last year, SIAS provided commentary and guidance on the following companies and issuers:

Offer by Halcyon for GMG; Boardroom tussle at SBI Offshore; Delays in placement at Aasiatravel.com; Goodwill payments and other issues at SingPost; Privatisation of SMRT by Temasek; Privatisation and delisting of Indiabulls; Concerns about issues at SunMoon; Proposal by Rickmers Maritime for the restructuring of bonds; Delisting of China New Town Development from SGX; Shareholder concerns at Sabana REIT; Offer by Fincantieri for VARD; Advisory on S-Chips – China Fibretech, China Sky and China Environment; Privatisation of ARA Asset Management; Gateway offer for Healthway Medical (HMC); Advisory on Ezra's Chapter 11 filing; and Si2i on plans to exit Watch List.

In addition SIAS continued to drive debate and discussion on issues like AGM bunching as well as SGX's proposal for dual class shares listings.



The Straits Times, 26 September 2016



The Straits Times, 24 April 2017

Management Committee's Annual Report 2017

3. Dialogue sessions

Dialogue sessions are organised by SIAS and invite issuers or listed companies to address the issues with shareholders or investors regarding their investment. The majority of the dialogue sessions organised have been around privatisation offers. Recently, there have been more dialogue sessions to help update bond holders regarding the state of the company and the restructuring proposals.

SIAS organised 12 dialogue sessions over the course of the financial year and addressed the following issues:

- SMRT for privatisation offer by Temasek
- China New Town for the delisting from SGX
- Rickmers Maritime for the bond default and restructuring proposal
- Auric Pacific for the privatisation offer
- Healthway Medical (HMC) for the offer by Gateway
- ARA Asset Management for the privatisation offer
- Ezra for their Chapter 11 filing and communication with bond holders
- Marco Polo Marine for their bond default and guidance to bond holders
- Sabana REIT on the issue to remove the REIT Manager
- Si2i on concerns regarding plans to exit the Watch List
- PT Trikomsel for the bond default and restructuring proposal and guidance to bond holders
- SingPost on impairment charge

4. Investor Day and Pre-AGM engagement

Often, barriers between listed companies and retail investors are due to inadequate attention paid to investor relations by listed companies.

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.

SIAS organised briefings with shareholders of CapitaLand, Singtel, SingPost, Capital Mall Trust, Keppel REIT, Capital Commercial Trust, CMNC Gold Mine and Perennial.

5. Disputes and Complaints Resolution

SIAS received 50 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 provided guidance to shareholders of SBI Offshore, SunMoon, GMG, SMRT, Healthway Medical, Si2i, just to name a few. 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.

Management Committee's Annual Report 2017

Corporate Governance

1. Q&A on Annual Reports

SIAS is helping retail investors to seek accountability, improve the quality of meetings and transparency of companies by posing questions from the company's annual report on their corporate governance practices, company strategy and financial statements. Companies are sent the questions ahead of the AGM and asked to address these questions at the AGM and to upload their response on SGX after the meeting so that all shareholders and potential investors can have access to their response. This initiative, with the support of SGX, commenced with 200 companies covered and SIAS will extend to cover 350 companies next FY, with the intention to extend it to all companies eventually. This initiative helps retail investors, especially on companies low on the governance ratings which tend not to have research coverage. In addition, with the usual bunching of AGMs in April each year, the analysis of these annual reports can help provide a good guide for investors who may have little time to review numerous annual reports and attend multiple AGMs during that time.

The questions are sent to companies and posted on SIAS' website 5 days before the AGM for the company to respond to investors at the AGM and it is recommended that the company disclose the responses through the SGX Net. Shareholders are encouraged to pose these questions at the AGM should companies not respond to the questions.

The screenshot shows the SIAS website interface. At the top, there is a 'Member Login' section with fields for 'Username' and 'Password', and a 'Go!' button. Below this is a navigation bar with links: 'About Us', 'Membership', 'Our Services', 'Listed Companies', 'Investor Education', 'Investor Rights', 'Corporate Governance', 'Speeches', 'News', 'Events', and 'Awards'. The main content area is titled 'Q&A on Annual Reports' and features a table with the following columns: 'AGM Date', 'Company', 'Market', 'Annual Report', 'SIAS Questions', and 'Company Response'.

AGM Date	Company	Market	Annual Report	SIAS Questions	Company Response
29 September 2017	USP Group Ltd	SGX Mainboard	Download	1. Following up on the queries on the annual report for the year ended 31 March 2016. 2. In the Report on Corporate Governance (page 17), it was disclosed that... 3. On 11 April 2016, the company completed a share consolidation of... read more	
29 September 2017	TEE Land Ltd	SGX Mainboard	Download	1. Revenue for the financial year ended 31 May 2017 increased by 138% due to... 2. The valuation of development properties and completed properties and... 3. In the annual report for the financial year ended 31 May 2016, the... read more	

sias.org.sg/3qs

Need good questions for AGMs? SIAS has you covered

By Kenneth Lim
kenlim@sph.com.sg
@KennethLimBT
Singapore

SHAREHOLDERS heading into the upcoming rotation of annual general meetings can turn to the Securities Investors Association (Singapore) for ideas on what questions to ask.

The advocacy group for retail shareholders, also known as SIAS, in July began an initiative to provide, for free, three carefully researched questions for each company being covered under the programme. The aim is to help improve the quality of engagement between management and shareholders at general meet-

ings. So far, SIAS has provided questions for 35 Singapore listed companies, of which eight have AGMs occurring in the coming days. Another 32 are slated to undergo the same scrutiny soon. SIAS president David Gerald said companies with lower corporate governance scores are selected first.

The questions are posted on SIAS's website, and if companies provide formal answers, SIAS will post their replies on the site as well.

SIAS hopes that the questions will help to raise the quality of shareholder meetings, help shareholders to focus on the important areas for discussion and give companies an opportunity to constructively engage with share-

holders. To provide the service, SIAS engages a team of analysts to scrutinise the companies' annual reports. The non-profit group has estimated the cost of the programme at about \$51 million this year to cover 200 companies; the extent of coverage is expected to expand over the next few years.

The questions cover a range of issues, from broad strategy to specific line items.

For instance, one of the questions posed to semiconductor equipment supplier Ellipsiz asks for insight into the probe card market and how the company comes up with new products. Electronics component distributor Karin Technology Holdings is asked about a HK\$9.1 million

(\$11.6 million) non-current trade receivable even though the company typically does not offer credit beyond 12 months. For waste treatment company 800 Super Holdings, SIAS asks for an explanation for the remuneration of Lee Thiam Seng, the brother of the company's chief executive and executive chairman who is not part of the key management team but whose remuneration is in a similar compensation band.

Investor Mano Sabnani said the initiative was a positive tool for retail investors.

"It can't be negative," he said. "They're doing their own checks on the annual reports and putting out questions that can be asked."

But Mr Sabnani hoped that companies would also take the

questions in the right spirit. For starters, companies should not use written replies to SIAS as an excuse to avoid back and forth discussions with shareholders.

"Personally, I prefer the spontaneity of the AGMs," Mr Sabnani said. "If the questions are asked beforehand and the companies reply on their website, the companies might subsequently say at the AGM that the questions have already been answered instead of having a discussion during the AGM." As companies receive more questions from shareholders, the logistics of questions and answers at general meetings will also require better management.

Mr Sabnani added, "Companies must give sufficient time for questions," he said.

The Business Times, 16 October 2016

Management Committee's Annual Report 2017

2. Singapore Corporate Governance Week 2016

a) Global Corporate Governance Conference

The Global Corporate Governance 2016 discussions is at a time where many established companies are feeling the effects of disruptors of the new economy. Governments across the globe are forced to address issues brought about by new entrants like Grab Taxi, Uber and AirBnB that have changed the landscape in the new era of the shared economy. Therefore the Conference topic of "Change and Innovation in Governance" addresses governance issues of the new economy companies – many of them do not own any assets. There have been controversial discussions on how sustainable are these companies and if they can drive shareholder value. With the basic operation model of a company changing in the new economy, how does governance change when operating models change? How to protect shareholders rights in a situation where companies do not have or own the assets? With over 25 speakers and panelists from near and afar, the Conference also discussed other issues being demanded by investors today Sustainability Reporting and enhanced disclosure requirements by the introduction of the Enhanced Auditors Report and Key Audit Matters.



Global Corporate Governance Conference 2016
Guest of Honour, Mr. Ong Chong Tee, Deputy
Managing Director (Financial Supervision),
Monetary Authority of Singapore

b) Charity Governance Conference

SIAS was indeed honoured to be approached by Charity Council to organise the 3rd Charity Governance Conference as part of the Singapore Corporate Governance Week and to bring together corporates and charities to update their governance practices.

The topic – "Governance for Charities in the 21st Century" highlighted lessons from corporate governance failures that are applicable to charities and investing surplus funds, with distinguished speakers and panellists from both corporates and charities sharing their experiences in panel discussions. Some 292 participants attended the conference which was organised in collaboration with Charity Council.



Charity Governance Conference 2016
- Panel Discussion

c) Charity Governance Forums and Workshops

The Corporate Governance Forums and Workshops provide opportunities for practitioners to improve their governance practices. With topics on improving corporate reporting, disclosing of corporate governance practices, developing a healthy corporate culture, having an effective communication strategy, performance sustainability and governance. A total of 250 participants attended the workshops and forums during the week.



Corporate Governance Forum 2016
- Panel Discussion

d) Investors Choice Awards

SIAS rates and rewards companies with good corporate governance at the 17th Investors Choice Awards. Different categories of award winners with the most prestigious award being the Singapore Corporate Governance Award. This year, a special award, Sustainability Award – recognised the efforts of the Late Mr Kwek Leng Joo for his contribution to sustainability practices in Singapore.

Other awards presented include the Most Transparent Company Award, Best Retail Broker Award, Internal Audit Excellence Awards and the Financial Journalist Award.



SIAS 17th Investors' Choice Awards 2016 Winners

Management Committee's Annual Report 2017

3. Governance Evaluation for Mid & Small Caps

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 Catalist 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.

This year, in the third review of GEMS, we observe a further drop in the in the overall average scores from 67.6 in 2014 to 66.8 in 2015 and 66.5 in 2016, out of a total possible score of 100. Analysis of the various sections of the scorecard reveal that, Remuneration and Interested Party transactions registered the most significant decline with the average score falling to 5.8 in 2016 compared to 6.2 in 2015 and 7.2 in 2014, out of a possible total of 15; Board and Management scores saw a slight decline with the average score falling marginally from 23.2 in 2015 to 23.1 in 2016 out of a total possible 30. Quality of Financial Reporting and Internal Controls saw a slight improvement in score from 12.2 in 2015 to 12.3 in 2016. Other factors assessed include Ownership, Shareholder Rights and Communication and Regulatory Risk remained relatively constant. In total, 359 companies were scored in 2016 and companies under regulatory action, suspension, delisting and those under the SGX watch list (excluding those for not meeting the MTP rule) were excluded from the research.

The review also identified a few trends:

1. More substantial shareholders selling down their stakes

There was an increase of 20% in the number of SMEs whose substantial shareholder had sold off shares amounting to 20% or more over the last 3 years. This could be due to more takeover bids and prices of the shares remaining depressed.

2. Increase in the number of long serving independent directors serving more than 9 years on the board

The Singapore Corporate Governance Code Guideline 2.4 states that “the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.”

It was found that an increasing number of SMEs had at least one independent director serving 9 years or more over the last 3 years, up from 42.7% in 2014 to 50.7% in 2016.

Management Committee's Annual Report 2017

3. More qualified and experienced management but remuneration not disclosed

85.8% of SMEs has the CEO with at least 10 years of experience in the industry or related industry, up from 82.1%; but many did not disclose their remuneration. Only 5 companies, or 1.4%, disclosed remuneration of key management.

4. Fewer companies maintained or increased dividends over the last 3 years

Only 25.3% of SMEs maintained or increased dividend pay-out over the last 3 years. This is a fall from 32.9% in 2014 and 27.5% in 2015, perhaps reflecting the economic situation and the impact to profitability. Nevertheless, lesser companies are now not paying any dividends; 30.1% of SMEs did not pay any dividend in the last 3 years. This is a fall from 32.9% in 2014 and 33.9% in 2015.

5. Majority of SMEs listed in Singapore are incorporated in the country of operation or country of listing

In assessing regulatory risk, 89.4% of SMEs reviewed are incorporated in the country of operation or country of listing, thus they are subjected to the core legislative requirements of the respective countries. In addition, 85.5% of these SMEs operate in countries that fall within the top 25% of World Bank's Worldwide Governance indicators. These countries, with strong rule of law, provide better safeguards for investors.

4. Singapore Stewardship Principles



The "Singapore Stewardship Principles (SSP) for Responsible Investors", an industry-led initiative to encourage responsible investment and to promote good stewardship practices among the investor community. The SSP is drafted and launched by a Singapore Stewardship Principles Working Group, of which SIA was one of the members, and comprises industry players and organisations representing various relevant constituencies in the Singapore investment community, and supported by the Monetary Authority of Singapore (MAS) and the Singapore Exchange (SGX). The working group was headed by Stewardship Asia. The SSP is intended to bring together and to sustain a community of responsible and engaged investors who practise stewardship as a value-based approach to investment.

SIA is one of more than 30 fund managers and investment organisations have shared their support for the principles. This is an encouraging sign as it shows that the SSP resonates well with their values and practices, and would have a catalytic effect as the SSP reaches out to the investment community in Singapore.

Management Committee's Annual Report 2017

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



SIAS Salutes Its Supporters

**SIAS gratefully acknowledges the support from
our Investor Education Sponsors & Donors.**





Financial Statement 2016 / 2017

Financial Statement

2016 / 2017

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 2017

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement by Management Committee and Financial Statements

Contents	Page
Statement by Management Committee.....	43
Independent Auditor's Report.....	44
Statement of Financial Activities.....	48
Statement of Financial Position	49
Statement of Cash Flows	50
Notes to the Financial Statements	51

9688-17

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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 present fairly, in all material respects of the state of affairs of Securities Investors Association (Singapore) (the “association”) as at 30 June 2017 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

Financial Statement

2016 / 2017

Independent Auditor's Report to the Management Committee of SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Report on the audit of the financial statements

Opinion

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 2017, and the statement of financial activities, and statement of cash flows for the year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements of the association are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and the Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the association as at 30 June 2017 and the results, changes in funds and cash flows of the association for the year ended on that date.

Basis for opinion

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

Other information

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

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

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

Financial Statement

2016 / 2017

Independent Auditor's Report to the Members of SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

– 2 –

Responsibilities of management committee and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the FRSs, 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.

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

The management committee and those charged with governance are responsible for overseeing the association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Financial Statement

2016 / 2017

Independent Auditor's Report to the Members of SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

– 3 –

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

- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In our opinion,

- (a) the accounting and other records required to be kept by the association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and 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 causes us to believe that during the reporting year:

- (a) the association has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals) Regulations; and

Financial Statement

2016 / 2017

Independent Auditor's Report to the Members of SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

– 4 –

Report on other legal and regulatory requirements (cont'd)

- (b) the use of the donation moneys was not in accordance with the objectives of the association as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Woo E-Sah.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement of Financial Activities Year Ended 30 June 2017

	<u>Notes</u>	<u>2017</u> \$	<u>2016</u> \$
Income	4	3,120,970	2,248,745
Interest income	5	904	1,602
Other gains	6	66,980	41,763
<u>Items of expenditure</u>			
Services consumed	7	(544,231)	(599,364)
Depreciation expense	11	(19,595)	(16,607)
Employee benefits expense	8	(1,118,613)	(1,247,779)
Other losses	6	–	(1,120)
Other operating expenses	9	(1,334,090)	(343,034)
Total expenditure		(3,016,529)	(2,207,904)
Net income before tax		172,325	84,206
Income tax expense	10	–	–
Net income for the year		172,325	84,206
Total funds brought forward		527,873	443,667
Total funds carried forward		700,198	527,873

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

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement of Financial Position As at 30 June 2017

	<u>Notes</u>	<u>2017</u> \$	<u>2016</u> \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	11	22,716	41,281
Total non-current assets		<u>22,716</u>	<u>41,281</u>
<u>Current assets</u>			
Trade and other receivables	12	553,508	231,285
Other assets	13	72,859	37,775
Cash and cash equivalents	14	636,891	586,758
Total current assets		<u>1,263,258</u>	<u>855,818</u>
Total assets		<u>1,285,974</u>	<u>897,099</u>
<u>Non-current liabilities</u>			
Other liabilities, non-current	15	38,000	38,000
Total non-current liabilities		<u>38,000</u>	<u>38,000</u>
<u>Current liabilities</u>			
Trade and other payables	16	386,693	164,246
Other liabilities, current	17	161,083	166,980
Total current liabilities		<u>547,776</u>	<u>331,226</u>
Total liabilities		<u>585,776</u>	<u>369,226</u>
Net assets		<u>700,198</u>	<u>527,873</u>
FUNDS AND LIABILITIES			
<u>Funds</u>			
General fund		700,198	527,873
Total funds		<u>700,198</u>	<u>527,873</u>

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

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement of Cash Flows Year Ended 30 June 2017

	<u>2017</u> \$	<u>2016</u> \$
<u>Cash flows from operating activities</u>		
Net income before tax	172,325	84,206
Depreciation of plant and equipment	19,595	16,607
Interest income	(904)	(1,602)
Operating cash flows before changes in working capital	<u>191,016</u>	<u>99,211</u>
Trade and other receivables	(322,223)	81,393
Other assets	(35,084)	(36,191)
Trade and other payables	222,447	96,730
Other liabilities, current	(5,897)	(92,687)
Net cash flows from operating activities	<u>50,259</u>	<u>148,456</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(1,030)	(10,521)
Interest income	904	1,602
Net cash flows used in investing activities	<u>(126)</u>	<u>(8,919)</u>
Net increase in cash and cash equivalents	50,133	139,537
Cash and cash equivalents, beginning balance	586,758	447,221
Cash and cash equivalents, ending balance (Note 14)	<u>636,891</u>	<u>586,758</u>

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

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Notes to the Financial Statements 30 June 2017

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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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 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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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.

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).

Financial Statement

Annual Report 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets (cont'd)

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.

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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

2. Loans and receivables (cont'd): 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.

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. 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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Fair value 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. It is a market-based measurement, not an entity-specific measurement. 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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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.

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.

Financial Statement

Annual Report 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

3. Related party relationships and transactions (cont'd)

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 2017 and 2016 is disclosed in Note 3A.

3A. Related parties:

	<u>2017</u>	<u>2016</u>
	\$	\$
Reimbursement of expenses to the Chief Executive Officer ("CEO")	15,885	6,089
Expenses paid to a related party	<u>250</u>	<u>200</u>

3B. Key management compensation:

	<u>2017</u>	<u>2016</u>
	\$	\$
Salaries and other short-term employee benefits	<u>277,785</u>	<u>267,960</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.

4. Income

	<u>2017</u>	<u>2016</u>
	\$	\$
Investors' choice award	239,600	255,500
Subscriptions	6,438	11,329
Seminars and conferences	489,119	417,921
Shareholders' communication services	65,418	137,002
Sponsorship	641,289	408,666
Donation (Note 4A)	864,512	1,018,116
Investment Scam Campaign	814,539	—
Other income	55	211
	<u>3,120,970</u>	<u>2,248,745</u>

4A. Donations

	<u>2017</u>	<u>2016</u>
	\$	\$
This item includes the following:		
Tax-deductible donations ⁽¹⁾	861,512	1,007,116
Non-tax-deductible donations	<u>3,000</u>	<u>11,000</u>
Total	<u>864,512</u>	<u>1,018,116</u>

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

4. Income (cont'd)

4A. Donations (cont'd)

⁽¹⁾ 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.

5. Interest income

	<u>2017</u> \$	<u>2016</u> \$
Interest on fixed deposits	904	1,602

6. Other gains and (other losses)

	<u>2017</u> \$	<u>2016</u> \$
Government grants	66,980	41,763
Bad debts written off – loss	–	(1,120)
	<u>66,980</u>	<u>40,643</u>

Presented in statement of financial activities as:

Other gains	66,980	41,763
Other losses	–	(1,120)
Net	<u>66,980</u>	<u>40,643</u>

7. Services consumed

	<u>2017</u> \$	<u>2016</u> \$
Investors' choice award	232,146	255,088
Event expenses	36,318	84,130
Seminars, courses and conferences	247,203	218,713
Website expenses	28,564	41,433
	<u>544,231</u>	<u>599,364</u>

8. Employee benefits expense

	<u>2017</u> \$	<u>2016</u> \$
Short term employee benefits expense	987,853	1,118,757
Contributions to defined contribution plan	125,306	126,600
Other benefits	5,454	2,422
Total employee benefits expense	<u>1,118,613</u>	<u>1,247,779</u>

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

9. Other operating expenses

The major components and other selected components include the following:

	<u>2017</u>	<u>2016</u>
	\$	\$
Investor education expenses	50,868	18,519
Rental of office equipment	7,822	7,260
Rental of office premise	168,307	163,584
Investment Scam Campaign	814,539	—
Research charges	<u>130,000</u>	<u>5,199</u>

10. Income tax

The association is registered as a 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 2015	145,298
Additions	<u>48,521</u>
At 30 June 2016	193,819
Additions	1,030
Written off	<u>(5,147)</u>
At 30 June 2017	<u>189,702</u>
<u>Accumulated depreciation:</u>	
At 1 July 2015	135,931
Depreciation for the year	<u>16,607</u>
At 30 June 2016	152,538
Depreciation for the year	19,595
Written off	<u>(5,147)</u>
At 30 June 2017	<u>166,986</u>
<u>Net book value:</u>	
At 1 July 2015	<u>9,367</u>
At 30 June 2016	<u>41,281</u>
At 30 June 2017	<u>22,716</u>

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

12. Trade and other receivables

	<u>2017</u> \$	<u>2016</u> \$
<u>Trade receivables:</u>		
Outside parties	<u>284,217</u>	<u>184,995</u>
<u>Other receivables:</u>		
Outside parties	228,395	3,894
Deposits	<u>40,896</u>	<u>42,396</u>
Sub-total	<u>269,291</u>	<u>46,290</u>
Total trade and other receivables (Note 18A)	<u>553,508</u>	<u>231,285</u>

13. Other assets

	<u>2017</u> \$	<u>2016</u> \$
Prepayment	<u>72,859</u>	<u>37,775</u>

14. Cash and cash equivalents

	<u>2017</u> \$	<u>2016</u> \$
Not restricted in use (Note 18A)	<u>636,891</u>	<u>586,758</u>
Interest earning balances	<u>154,167</u>	<u>153,263</u>

The rate of interest for the cash on interest earning balances was between 0.40% to 0.70% (2016: 0.40% to 0.70%).

15. Other liabilities, non-current

	<u>2017</u> \$	<u>2016</u> \$
Provision for restoration cost	<u>38,000</u>	<u>38,000</u>
Movement in above provision		
Balance at beginning of the year	38,000	—
Additions	<u>—</u>	<u>38,000</u>
Balance at end of the year	<u>38,000</u>	<u>38,000</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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

16. Trade and other payables

	<u>2017</u> \$	<u>2016</u> \$
Outside parties and accrued liabilities (Note 18A)	<u>386,693</u>	<u>164,246</u>

17. Other liabilities, current

	<u>2017</u> \$	<u>2016</u> \$
Deferred income (Note 17A)	<u>161,083</u>	<u>166,980</u>

17A. Deferred income

	<u>2017</u> \$	<u>2016</u> \$
Unutilised fund from:		
Sponsorship	89,667	69,167
Shareholder communication services	41,416	21,084
Others	30,000	76,729
Total deferred income	<u>161,083</u>	<u>166,980</u>
Movement in above balance:		
Balance at beginning of the year	166,980	259,667
Received / receivable during the year	777,538	502,981
Utilised during the year	<u>(783,435)</u>	<u>(595,668)</u>
Balance at end of the year	<u>161,083</u>	<u>166,980</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.

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>2017</u> \$	<u>2016</u> \$
<u>Financial assets:</u>		
Cash and cash equivalents (Note 14)	636,891	586,758
Trade and other receivables (Note 12)	553,508	231,285
At end of the year	<u>1,190,399</u>	<u>818,043</u>
<u>Financial liabilities:</u>		
Trade payables (Note 16)	386,693	164,246
At end of the year	<u>386,693</u>	<u>164,246</u>

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

18A. Categories of financial assets and liabilities (cont'd)

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.

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 (2016: 30 days). But some clients take a longer period to settle the amounts.

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

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Trade receivables:		
31 to 60 days	51,654	–
61 to 180 days	14,330	11,193
More than 180 days	43,200	1,605
Total	<u>109,184</u>	<u>12,798</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>2017</u>	<u>2016</u>
	\$	\$
Top 1 clients	73,054	53,500
Top 2 clients	116,254	107,000
Top 3 clients	<u>148,354</u>	<u>112,350</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 (2016: 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>2017</u>	<u>2016</u>
	\$	\$
Not later than one year	176,535	171,144
Later than one year and not later than five years	<u>22,095</u>	<u>192,564</u>
Rental expenses for the year	<u>176,129</u>	<u>170,844</u>

Operating lease payments are for rentals payable for office which expires on 30 June 2018 and office equipment which expire on 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.

Financial Statement

2016 / 2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

20. 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.

	<u>2017</u> \$	<u>2016</u> \$
Unrestricted income fund	700,198	527,873
Ratio of reserves to annual operating expenditure	<u>0.23</u>	<u>0.24</u>

21. 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
FRS 16 & 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

22. 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 7	Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019

Our Donors

ANG HAO YAO	7,500.00
ARANDA INVESTMENTS PTE LTD	10,000.00
ASSOCIATION OF BANKS IN SINGAPORE	2,000.00
AZTECH GROUP LTD	1,000.00
BAKER & MCKENZIE.WONG & LEOW	20,000.00
BAYSHORE GREEN PTE LTD	25,000.00
BLACK SUN PLC	15,000.00
BOWSPRIT CAPITAL CORPORATION LIMITED	8,500.00
CAPITALAND LIMITED	100,000.00
CHARTCHAI PUSAVAT	3,000.00
CHEN WEI CHING VINCENT	1,000.00
CHENG OON TECK, ANDREW	500.00
CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD	8,000.00
CIMB SECURITIES (SINGAPORE) PTE LTD	6,000.00
CMC MARKETS SINGAPORE PTE LTD	12,000.00
CNMC GOLDMINE HOLDINGS LIMITED	10,000.00
DENTONS RODYK & DAVIDSON LLP	10,000.00
EASTSPRING INVESTMENTS (SINGAPORE) LIMITED	25,000.00
EG HOLDINGS PTE LTD	30,000.00
EIN55 PTE. LTD	12,000.00
FCL MANAGEMENT SERVICES PTE LTD	8,500.00
FRASER & NEAVE (SINGAPORE) PTE. LIMITED	8,000.00
FRASER & NEAVE, LIMITED	8,000.00
FRASERS CENTREPOINT ASSET MANAGEMENT PTE LTD	8,500.00
FRASERS COMMERCIAL TRUST	8,500.00
FRASERS HOSPITALITY ASSET MANAGEMENT PTE LTD	8,500.00
FRASERS LOGISTICS & INDUSTRIAL ASSET MANAGEMENT PTE. LTD.	8,500.00
GIBSON, DUNN & CRUTCHER LLP	7,000.00
GOLDEN DEVELOPMENT PRIVATE LIMITED (FAR EAST ORG)	25,000.00
HALCYON AGRI CORPORATION LIMITED	10,000.00
JEYASEGARAM DAVID	500.00
KEPPEL CARE FOUNDATION	90,000.00
LEE TECK LENG ROBSON	5,000.00
MAGNUS BOCKER	5,000.00
NTAN CORPORATE ADVISORY PTE LTD	5,000.00

Our Donors

OLAM INTERNATIONAL LTD	10,000.00
RHB SECURITIES SINGAPORE PTE LTD	12,000.00
RSM CHIO LIM LLP	20,000.00
SBI OFFSHORE LIMITED	2,000.00
SI2I LIMITED	2,000.00
SINGAPORE POST LIMITED	7,000.00
SINGAPORE TECHNOLOGIES ENGINEERING LTD	90,000.00
SINGAPORE TELECOMMUNICATION LIMITED	70,000.00
SMRT CORPORATION LTD	10,000.00
STEPHEN CHEN WENG LEONG	500.00
SYMASIA SINGAPORE FUND	100,000.00
TAN KAY CHENG	12.00
TAT SENG PACKAGING GROUP LTD	500.00
TD AMERITRADE SINGAPORE PTE LTD	12,000.00
UNITED INDUSTRIAL CORPORATION LIMITED	1,000.00
VARD HOLDINGS LTD	5,000.00
WILMAR INTERNATIONAL LIMITED	10,000.00
TOTAL	864,512*

**Refer to Note 4A in the Financial Statement*

