



**Financial statements
and related announcement
Third quarter ended 30 September 2019**

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the Three Months to September 2019

For the third quarter, the Group recorded a net loss of S\$0.3 million (3Q18: profit of S\$2.9 million) despite a 13% improvement in revenues to S\$27.6 million (3Q18: S\$24.4 million). Total comprehensive loss attributable to shareholders was S\$2.2 million (3Q18: S\$5.5 million).

Allium Healthcare

Allium Healthcare (“Allium”) recorded an operating loss of S\$1.2 million for the quarter (3Q18: S\$0.9 million) in the run-up to the opening of its flagship residential aged care home at Venus Drive in Singapore in November. All necessary licenses have now been obtained. Occupancy at the Allium Care Suites is expected to grow steadily over the next year, but start-up losses are expected to continue into 2020.

Opal Aged Care Group

Our Australian associate, Opal Aged Care Group (“Opal”), contributed net profits of S\$2.4 million (3Q18: S\$3.0 million). Opal’s operating margins have been affected by higher staff and compliance costs. The continued weakness in the Australian dollar led to foreign currency translation losses amounting to S\$2.5 million (3Q18: S\$4.8 million); this is reflected under other comprehensive income. This translation loss was partially offset by a foreign exchange gain of S\$0.6 million recorded in the profit or loss account, and which resulted from borrowings taken out in Australian dollars.

Operationally, Opal continues to grow its bed capacity, mostly by building new residential aged care homes. It now operates 77 homes with over 7,300 beds, a year-on-year increase of over 400 beds. The pace at which new capacity has been added has dampened financial returns in the short-term, as each new home takes time to build up occupancy levels.

Boardroom Limited

In July, we concluded our general offer for Boardroom Limited (“Boardroom”) and increased our stake from 80.72% to 91.23%. Boardroom was also delisted from the Singapore Exchange.

Boardroom’s revenues for the quarter grew by 20% to S\$26.9 million (3Q18: S\$22.4 million), generating net profits of S\$1.4 million (3Q18: S\$1.0 million). Just under half of the revenue increase, approximately S\$1.9 million, reflects a full quarter’s contribution from Symphony’s Malaysian businesses which were acquired in August 2018; for 3Q18, only one month of revenues and earnings from these businesses were included in the accounts.

Share registration services were strong in Australia, helping to offset the marginally weaker revenues in Singapore, Malaysia and Hong Kong. Corporate secretarial services registered steady revenue growth, while payroll services have been making good progress in Asia. However, staff costs continue to rise in tight labour markets.

For the quarter, Boardroom booked a S\$0.4 million revaluation loss because of the weaker Australian dollar. This was offset by the recognition of S\$0.6 million in revenues after a legal case was settled in August 2019. Interest expenses increased by S\$0.3 million, mainly due to the term loan taken out for the Symphony acquisitions.

Investments and Associates

Investment income for the quarter was S\$0.4 million (3Q18: S\$1.5 million) because of lower returns from listed equities. Fair value gain from long-term investments captured in other comprehensive income saw a net gain of S\$1.2 million (3Q18: loss of S\$3.8 million), with uplifts in private equity investments offset by a further S\$3.3 million markdown for Eastern & Oriental Bhd (“E&O”), the share price of which has been weak ahead of its pending rights issue.

Associate earnings were also affected by an impairment provision made by Value Monetization III Limited for investment interest income that may not be recoverable due to a legal dispute; our share of the provision amounts to S\$0.9 million.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Results for Nine Months to September 2019

Group net profits for the first nine months of 2019 amounted to S\$2.8 million (9M18: S\$5.0 million) on revenues of S\$84.0 million (9M18: S\$69.1 million), while total comprehensive loss was S\$7.1 million (9M18: S\$1.6 million).

Allium Healthcare

Allium's pre-opening operating losses for the first nine months amounted to S\$3.3 million. As noted earlier, the 129-bed Allium Care Suites has now received all necessary licenses to begin operations and will be taking in its first residents in a few weeks.

Opal Aged Care Group

Opal contributed net profits of S\$6.9 million (9M18: S\$8.4 million), as higher staffing and compliance costs eroded margins. The ongoing Royal Commission into Aged Care Quality and Safety has been extended by six months to October 2020, and it is expected to recommend substantial changes to improve the provision of aged care in Australia.

Boardroom Limited

Boardroom's revenues were up 20% to S\$77.3 million (9M18: S\$64.4 million). Of the S\$12.9 million increase, S\$9.4 million related to the inclusion of Symphony for the full nine months, compared with only one month in the corresponding period in 2018.

Net profits for the nine months amounted to S\$4.2 million (9M18: S\$6.6million). Earnings were dampened by labour cost pressures, a S\$1.3 million increase in interest costs consequent to the Symphony acquisitions, and S\$0.9 million from forex translation losses relating to Australian dollar assets. The cost of delisting Boardroom amounted to approximately S\$0.2 million.

The integration of Symphony and Boardroom Malaysia has gone well, and cost synergies are expected to be realised in 2020 after the physical integration of both businesses is completed.

Investment Income

The Group's investment income totaled S\$5.5 million (9M18: S\$3.4 million) with a conservatively-positioned portfolio.

Total Comprehensive Income and Balance Sheet Items

There were two main reasons for the loss in total comprehensive income: the weak Australian dollar which declined by 3% relative to the Singapore dollar over the past nine months, resulting in a net foreign currency translation loss of S\$5.7 million; and the 41% decline in the market price of the Group's stake in Malaysian property group E&O, resulting in a markdown of S\$11.8 million. This was partly offset by valuation uplifts totaling S\$7.3 million in a number of our private-equity funds and unlisted investments.

Group net asset value declined to S\$1.266 per share (Dec18: S\$1.335). This includes the payment of a 2 cent per share dividend in May.

With the near-completion of Allium Care Suites in Singapore, Group's net debt has risen to S\$161.9 million (Dec18: S\$132.4 million), resulting in a gearing ratio of 28.3% (up from 23.4%). The Group was in a net current liability position at the end of the quarter because one of our long-term secured loans will mature within the next 12 months, and additional loans were drawn down to finance the general offer for Boardroom. Discussions are underway with banks to extend the term of these loans.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

Opal and Boardroom are expected to contribute the bulk of earnings from operating businesses in the coming year. Allium will remain loss-making as it ramps up occupancy at Allium Care Suites over the next year. Returns from the Group's investment portfolio are inherently difficult to predict.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group			Group		
		3 months ended		+ / (-) %	9 months ended		+ / (-) %
		30 Sep 2019	30 Sep 2018		30 Sep 2019	30 Sep 2018	
		\$'000	\$'000		\$'000	\$'000	
CONTINUING OPERATIONS							
Revenue							
Corporate services revenue		26,856	22,362	20	77,322	64,428	20
Investment income		409	1,484	(72)	5,523	3,421	61
Other income		344	558	(38)	1,122	1,282	(12)
Total revenue		27,609	24,404	13	83,967	69,131	21
Cost and expenses							
Employees' compensation and related costs		(16,618)	(13,206)	26	(48,539)	(38,569)	26
Office and equipment rental costs		(510)	(1,907)	(73)	(2,162)	(5,546)	(61)
Depreciation and amortisation		(3,191)	(1,440)	122	(8,983)	(4,124)	118
Technology and information services costs		(726)	(515)	41	(1,821)	(1,427)	28
Gain / (loss) on foreign currency exchange		107	212	(50)	(91)	(1,000)	(91)
(Provision for) / write-back of doubtful debts		(593)	(274)	116	(856)	113	NM
Other operating expenses		(5,644)	(5,710)	(1)	(17,076)	(14,947)	14
Total cost and expenses		(27,175)	(22,840)	19	(79,528)	(65,500)	21
Profit from operating activities		434	1,564	(72)	4,439	3,631	22
Finance costs		(1,306)	(779)	68	(4,066)	(2,429)	67
Share of profit of associates		1,409	3,062	(54)	4,614	7,661	(40)
Profit before tax	B	537	3,847	(86)	4,987	8,863	(44)
Taxation	C	(789)	(831)	(5)	(1,904)	(3,204)	(41)
(Loss) / profit for the period		(252)	3,016	NM	3,083	5,659	(46)
Other comprehensive income / (loss)							
Items that will not be reclassified to profit or loss							
Net fair value gain / (loss) on financial assets		1,166	(3,829)	NM	(4,472)	4,446	NM
Items that may be reclassified subsequently to profit or loss							
Share of other comprehensive (loss) / income of associates		(621)	86	NM	113	163	(31)
Net gain on cash flow hedge		34	-	NM	160	-	NM
Net gain on hedge of net investment		-	-	NM	-	794	NM
Foreign currency translation		(2,465)	(4,841)	(49)	(5,698)	(12,257)	(54)
Other comprehensive loss for the period, net of tax		(1,886)	(8,584)	(78)	(9,897)	(6,854)	44
Total comprehensive loss for the period		(2,138)	(5,568)	(62)	(6,814)	(1,195)	470
Profit / (loss) attributable to:							
Owners of the Company		(302)	2,949	NM	2,821	4,992	(43)
Non-controlling interests		50	67	(25)	262	667	(61)
		(252)	3,016	NM	3,083	5,659	(46)
Total comprehensive income / (loss) attributable to:							
Owners of the Company		(2,225)	(5,480)	(59)	(7,064)	(1,607)	340
Non-controlling interests		87	(88)	NM	250	412	(39)
		(2,138)	(5,568)	(62)	(6,814)	(1,195)	470

NM: Not meaningful

Earnings per share
- basic and diluted

E (0.09) cents 0.91 cents 0.87 cents 1.53 cents

Financial Statements

BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group		Company	
		30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		28,242	37,624	-	-
Right-of-use assets		40,311	-	1,981	-
Intangible assets		139,806	143,749	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	245,763	229,270
Associates		180,022	191,454	-	-
Long-term investments		184,873	189,854	5,711	5,642
Lease receivables		633	-	-	-
Deferred tax assets		9,279	7,789	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	159,869	136,791
Trade debtors		22,820	24,503	-	-
Other debtors		6,150	4,146	312	440
Lease receivables		405	-	-	-
Short-term investments		26,114	30,252	-	-
Cash and bank balances		25,449	35,534	690	2,574
		80,938	94,435	160,871	139,805
Current liabilities					
Trade creditors		8,863	11,251	-	-
Other creditors		17,445	18,228	410	529
Lease liabilities	D	6,251	-	879	-
Bank borrowings	D	91,093	92,446	59,973	18,598
Provision for taxation		973	1,144	124	262
		124,625	123,069	61,386	19,389
Net current (liabilities) / assets		(43,687)	(28,634)	99,485	120,416
Non-current liabilities					
Lease liabilities	D	12,091	-	1,053	-
Bank borrowings	D	96,266	75,451	-	-
Provision for employee benefits		307	234	-	-
Deferred tax liabilities		14,606	15,608	1,492	1,457
Net assets		419,936	454,270	350,395	353,871
Equity attributable to Owners of the Company					
Share capital		191,987	191,987	191,987	191,987
Revenue reserve		246,750	250,205	158,263	161,807
Fair value adjustment reserve		4,429	9,121	8	(60)
Foreign currency translation reserve		(17,168)	(11,495)	-	-
Cash flow hedge reserve		(674)	(934)	-	-
Transactions with non-controlling interests		(14,356)	(5,434)	-	-
Capital reserve		137	137	137	137
		411,105	433,587	350,395	353,871
Non-controlling interests		8,831	20,683	-	-
Total equity		419,936	454,270	350,395	353,871

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STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Attributable to Owners of the Company

Group 2019	Attributable to Owners of the Company						Equity		Total Equity \$'000	
	Share Capital \$'000	Revenue Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Cash Flow Hedge Reserve \$'000	Transactions with Non-controlling Interests \$'000	Capital Reserve \$'000	Attributable to Owners of the Company \$'000		Non- controlling Interests \$'000
Balance at 1 July 2019	191,987	250,238	77	(14,666)	(87)	(12,766)	137	414,920	10,757	425,677
(Loss) / profit for the period	-	(302)	-	-	-	-	-	(302)	50	(252)
Other comprehensive income / (loss)										
Net fair value gain on financial assets	-	-	1,166	-	-	-	-	1,166	-	1,166
Share of other comprehensive loss of associates	-	-	-	-	(621)	-	-	(621)	-	(621)
Net gain on cash flow hedge	-	-	-	-	34	-	-	34	-	34
Foreign currency translation	-	-	-	(2,502)	-	-	-	(2,502)	37	(2,465)
Other comprehensive income / (loss) for the period	-	-	1,166	(2,502)	(587)	-	-	(1,923)	37	(1,886)
Total comprehensive income / (loss) for the period	-	(302)	1,166	(2,502)	(587)	-	-	(2,225)	87	(2,138)

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Attributable to Owners of the Company									Total Equity
	Share Capital	Revenue Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Transactions with Non-controlling Interests	Capital Reserve	Equity Attributable to Owners of the Company	Non-controlling Interests	
2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(1,590)	-	(1,590)	(2,013)	(3,603)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(1,590)	-	(1,590)	(2,013)	(3,603)
Total transactions with Owners in their capacity as Owners	-	-	-	-	-	(1,590)	-	(1,590)	(2,013)	(3,603)
Others										
Transfer of loss on disposal of financial assets	-	(3,186)	3,186	-	-	-	-	-	-	-
Total others	-	(3,186)	3,186	-	-	-	-	-	-	-
Balance at 30 September 2019	191,987	246,750	4,429	(17,168)	(674)	(14,356)	137	411,105	8,831	419,936

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Attributable to Owners of the Company									Total Equity \$'000
	Share Capital \$'000	Revenue Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign	Cash Flow Hedge Reserve \$'000	Transactions with Non-controlling Interests \$'000	Capital Reserve \$'000	Equity	Non-controlling Interests \$'000	
				Currency Translation Reserve \$'000				Attributable to Owners of the Company \$'000		
2018										
Balance at 1 July 2018	191,987	253,376	21,328	(3,754)	(697)	(9,196)	137	453,181	11,927	465,108
Profit for the period	-	2,949	-	-	-	-	-	2,949	67	3,016
Other comprehensive income / (loss)										
Net fair value loss on financial assets	-	-	(3,829)	-	-	-	-	(3,829)	-	(3,829)
Share of other comprehensive income of associates	-	-	-	-	86	-	-	86	-	86
Foreign currency translation	-	-	-	(4,686)	-	-	-	(4,686)	(155)	(4,841)
Other comprehensive income / (loss) for the period	-	-	(3,829)	(4,686)	86	-	-	(8,429)	(155)	(8,584)
Total comprehensive income / (loss) for the period	-	2,949	(3,829)	(4,686)	86	-	-	(5,480)	(88)	(5,568)

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Attributable to Owners of the Company									
	Share Capital	Revenue Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Transactions with Non-controlling Interests	Capital Reserve	Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contributions by and distributions to Owners										
Shares re-purchased	-	(68)	-	-	-	-	-	(68)	-	(68)
Total contributions by and distributions to Owners	-	(68)	-	-	-	-	-	(68)	-	(68)
Changes in ownership interests in subsidiaries										
Issuance of shares to non-controlling interests	-	-	-	-	-	3,762	-	3,762	8,718	12,480
Total changes in ownership interests in subsidiaries	-	-	-	-	-	3,762	-	3,762	8,718	12,480
Total transactions with Owners in their capacity as Owners	-	(68)	-	-	-	3,762	-	3,694	8,718	12,412
Others										
Transfer of gain on disposal of financial assets	-	2,150	(2,150)	-	-	-	-	-	-	-
Total others	-	2,150	(2,150)	-	-	-	-	-	-	-
Balance at 30 September 2018	191,987	258,407	15,349	(8,440)	(611)	(5,434)	137	451,395	20,557	471,952

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2019	Share Capital \$'000	Revenue Reserve \$'000	Fair Value Adjustment Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Balance at 1 July 2019	191,987	155,791	(89)	137	347,826
Profit for the period	-	2,472	-	-	2,472
Other comprehensive income					
Net fair value gain on financial assets	-	-	97	-	97
Total comprehensive income for the period	-	2,472	97	-	2,569
Balance at 30 September 2019	191,987	158,263	8	137	350,395

Company 2018	Share Capital \$'000	Revenue Reserve \$'000	Fair Value Adjustment Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Balance at 1 July 2018	191,987	112,305	(71)	137	304,358
Profit for the period	-	535	-	-	535
Other comprehensive income					
Net fair value gain on financial assets	-	-	30	-	30
Total comprehensive income for the period	-	535	30	-	565
Contributions by and distributions to Owners					
Shares re-purchased	-	(68)	-	-	(68)
Total transactions with Owners in their capacity as Owners	-	(68)	-	-	(68)
Balance at 30 September 2018	191,987	112,772	(41)	137	304,855

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group	
	3 months ended	
	30 Sep 2019	30 Sep 2018
	\$'000	\$'000
Operating activities		
Profit before tax	537	3,847
Adjustments for :-		
Depreciation and amortisation	3,191	1,440
Gain on disposal of property, plant and equipment	-	(66)
Finance costs	1,306	779
Interest income	(217)	(242)
Dividend income	(107)	(881)
Provision for doubtful debts	593	274
Fair value adjustment	(308)	(124)
Share of profit of associates	(1,409)	(3,062)
Operating cash flows before changes in working capital	<u>3,586</u>	<u>1,965</u>
Decrease in debtors	5,260	1,116
(Increase) / decrease in short-term investments	(1,613)	7,154
(Decrease) / increase in creditors	(18,573)	3,177
Cash flows (used in) / from operations	<u>(11,340)</u>	<u>13,412</u>
Interest paid	(1,165)	(603)
Interest received	217	243
Income tax paid	(1,045)	(384)
Net cash flows (used in) / from operating activities	<u>(13,333)</u>	<u>12,668</u>
Investing activities		
Purchase of property, plant and equipment	(7,008)	(2,203)
Proceeds from disposal of property, plant and equipment	-	68
Purchase of intangible assets	(394)	(500)
Purchase of long-term investments	(1,699)	(26,010)
Proceeds from sale of long-term investments	5,170	11,036
Acquisition of subsidiaries, net of cash acquired	-	(37,491)
Investment in associates	-	(1,973)
Capital distribution from associates	1,042	-
Net dividend received from associates	6,112	7,037
Dividend income received	104	871
Net cash flows from / (used in) investing activities	<u>3,327</u>	<u>(49,165)</u>
Financing activities		
Shares re-purchased	-	(68)
Acquisition of non-controlling interests	(3,603)	-
Repayment of lease liabilities	(1,478)	-
Proceeds from bank borrowings	9,338	40,096
Net cash flows from financing activities	<u>4,257</u>	<u>40,028</u>
Net (decrease) / increase in cash and cash equivalents	(5,749)	3,531
Effect of exchange rate changes in opening cash and cash equivalents	(193)	(7)
Cash and cash equivalents at beginning of period	31,391	30,010
Cash and cash equivalents at end of period	<u><u>25,449</u></u>	<u><u>33,534</u></u>

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the third quarter ended 30 September 2019, no (2018: 67,100) shares were purchased by the Company and no (2018: Nil) shares were issued. The total number of issued shares as at 30 September 2019 was 324,810,137 (Dec 2018: 324,810,137). There were no treasury shares or subsidiary holdings as at 30 September 2019 and 2018.

B. REVENUE AND EXPENSES

Profit before tax includes the following:

	Group 3 months ended		Group 9 months ended	
	30 Sep 2019 \$'000	30 Sep 2018 \$'000	30 Sep 2019 \$'000	30 Sep 2018 \$'000
Investment income:				
Fair value adjustment for short-term investments	306	136	4,399	(2,165)
Fair value adjustment for long-term investments	2	(12)	(4)	(128)
(Loss) / gain on sale of short-term investments	(223)	237	(2,171)	3,476
Dividend income	107	881	2,542	1,420
Interest income:				
- Bank deposits	205	172	732	748
- Leases	12	-	25	-
- Others	-	70	-	70
Other income:				
Rental income	95	224	319	672
Finance costs:				
Interest expense:				
- Bank loans and overdrafts	(1,146)	(779)	(3,651)	(2,429)
- Leases	(160)	-	(415)	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group 3 months ended		Group 9 months ended	
	30 Sep 2019 \$'000	30 Sep 2018 \$'000	30 Sep 2019 \$'000	30 Sep 2018 \$'000
Current income tax				
Current year	(1,056)	(1,071)	(2,989)	(3,097)
Over / (under)provision in respect of prior years	196	(17)	389	(21)
Deferred tax				
Current year	71	249	429	829
Over / (under)provision in respect of prior years	-	8	267	(915)
	<u>(789)</u>	<u>(831)</u>	<u>(1,904)</u>	<u>(3,204)</u>

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	30 Sep 2019 \$'000	31 Dec 2018 \$'000	30 Sep 2019 \$'000	31 Dec 2018 \$'000
Amount due within one year	12,359	42,036	84,985	50,410
Amount due after one year	74,707	38,001	33,650	37,450
	<u>87,066</u>	<u>80,037</u>	<u>118,635</u>	<u>87,860</u>

The Group's borrowings include bank borrowings and lease liabilities. Secured bank borrowings are secured by charges on bank accounts, shares of investee companies, land and buildings owned by the borrowing subsidiaries.

E. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the loss attributable to Owners of \$302,000 (2018: profit of \$2,949,000) by the weighted average number of ordinary shares in issue during the period of 324,810,137 (2018: 324,832,504).

There were no outstanding share options as at 30 September 2019 and 2018.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Net asset value per share based on existing issued share capital as at the end of the respective period	<u>126.57 cts</u>	<u>133.49 cts</u>	<u>107.88 cts</u>	<u>108.95 cts</u>

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Other than the adoption of the new and revised SFRS(I) which took effect from the current financial year, the accounting policies have been consistently applied by the Group and are consistent with those used in the previous financial year.

The Group has adopted SFRS(I) 16 which took effect in the current financial year. Under SFRS(I) 16, the Group is required to recognise on the balance sheet a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group is also required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset. The adoption has resulted in increases in total assets and total liabilities.

DIVIDENDS

No dividend was declared or recommended during the period ended 30 September 2019 (2018: Nil).

AUDIT

These Financial Statements have not been audited or reviewed by the Auditor.

INTERESTED PERSON TRANSACTIONS

The Company does not have an Interested Person Transactions mandate.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

The Board of Directors hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited Financial Statements of the Company and of the Group for the third quarter ended 30 September 2019 to be false or misleading in any material aspect.

CONFIRMATION PURSUANT TO RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Thomas Teo Liang Huat
Executive Director

8 November 2019
Singapore