



**Financial statements
and related announcement
Year ended 31 December 2019**

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the Three Months to December 2019

For the final quarter of 2019, Group revenues amounted to S\$33.0 million (4Q18: S\$21.1 million). The principal factor underlying this change was a swing in investment income from a loss of S\$6.4 million to a profit of S\$3.5 million, reflecting the improvement in global equity market sentiment in the fourth quarter. Net profits attributable to shareholders amounted to S\$5.1 million (4Q18: loss of S\$9.4 million). Total comprehensive income attributable to shareholders was S\$3.6 million (4Q18: loss of S\$17.8 million).

Most of the Group's operating revenues were contributed by Boardroom Limited's ("Boardroom") corporate services businesses which grew by 6% to S\$28.8 million (4Q18: S\$27.1 million). Boardroom's net profits were substantially better at S\$4.6 million (4Q18: S\$0.4 million) in the absence of two negative factors. First, our 4Q18 results included a S\$2.1 million negative impact from the adoption of a new accounting rule, SFRS(I) 9. Second, Boardroom incurred exceptional costs in the early stages of integrating its Malaysian operations with those formerly owned by Symphony House. In 4Q19, Boardroom's Malaysian operations started to reap some of the expected integration benefits, while its Singapore and Australia businesses delivered top line growth, with Singapore also seeing gains from productivity improvements.

Allium Healthcare's ("Allium") revenues were negligible for the quarter, with its first residents entering its Allium Care Suites only in late November. Start-up losses at the Care Suites contributed to a loss of S\$2.7 million for the quarter; of this sum, depreciation and assets expensed off amounted to S\$1.2 million.

Our Australian aged care associate, Opal Aged Care Group ("Opal"), contributed S\$3.5 million to net profits (4Q18: loss of S\$1.7 million). The comparative figure for 2018 was affected by a number of non-recurring items, the largest of which was an adjustment for over-accrual of deferred tax asset relating to past acquisitions. Excluding these items, the comparative net profit for 4Q18 would have been S\$2.8 million.

Other associates, primarily private equity fund Value Monetization III Ltd ("Value Monetization") and Australian retirement home operator Habitat Assets Pte Ltd ("Habitat"), collectively contributed a loss of S\$0.4 million (4Q18: profit of S\$1.3 million).

The Group's other comprehensive income was affected by a reduction in the valuation of listed and unlisted investments totaling S\$3.5 million (4Q18: loss of S\$5.1 million). This decline was attributable to further weakness in Eastern & Oriental Bhd's share price, along with markdowns in the valuation of some private equity assets. This was offset in part by a strengthening of the Australian dollar relative to the Singapore dollar, leading to a currency translation gain of S\$1.7 million (4Q18: loss of S\$2.9 million).

The Group's net assets ended the year at S\$414.4 million, or S\$1.276 per share. This is lower than the S\$433.6 million recorded at the end of 2018 largely because of the acquisition of Boardroom shares (mostly in the course of a general offer) at a price higher than Boardroom's net asset value. The Group also paid out S\$6.5 million in dividends during the year.

The Group's net debt totals S\$177.7 million. Net gearing has increased from 23.4% in 2018 to 30.0%. The increase in debt reflects the enlargement of our Boardroom stake to 92% following the takeover bid, the completion of Allium Care Suites, and new long-term investments made.

Current liabilities exceeded current assets by S\$5.1 million at the year end, partly as a result of new long-term investments made in the final weeks of the year. In the course of 2019, we had already refinanced most of our debt for two to three year terms. Viewed in the context of the Group's total assets, the diversified portfolio of investments, and the Group's overall 30% gearing level, the Directors are of the view that the Group is able to meet its liabilities as and when they fall due.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Results for the Year

For FY2019, the Group made revenues of S\$116.9 million (FY18: S\$90.2 million). About S\$12 million of the increase resulted from investment income which reversed from a loss of S\$2.9 million to a profit of S\$9.0 million. The rest of the increase was mostly attributable to Boardroom, with a full year's impact from the merger of its Malaysian operations with those of Symphony House.

Net profits attributable to shareholders amounted to S\$7.9 million (FY18: loss of S\$4.4 million), with total comprehensive loss of S\$3.4 million (FY18: loss of S\$19.4 million). The loss at the comprehensive income line resulted from two key factors: the weakening of the Australian dollar relative to the Singapore dollar (negative S\$4 million impact) and the substantial decline in the market price of Eastern & Oriental Bhd, cushioned by revaluation gains elsewhere in our long-term investment portfolio (negative S\$8 million impact).

Boardroom made S\$8.8 million in net profits for 2019, a 27% improvement (FY18: S\$6.9 million). Shareholders will be aware that we increased our stake in Boardroom from 81% to 92%, largely through a general offer that concluded in July. Boardroom's revenues grew 16% to S\$106.1 million (FY18: S\$91.5 million). Part of this increase came from a full year's revenue recognition in acquired businesses, but there was also business growth, particularly from Australian share registry and Singapore. Boardroom Hong Kong's operating results were affected by the substantial slowdown in new issue activity since the middle of 2019.

Allium recorded a full year loss of S\$6.1 million, including S\$1.8 million in depreciation and assets expensed off. Costs were incurred as staff were recruited and trained ahead of the opening of Allium Care Suites at the end of the year. We expect to continue to report losses as the nursing home's occupancy grows towards steady state over the next two years.

Opal contributed associate earnings of S\$10.4 million (FY18: S\$6.7 million). The apparent increase is largely because of non-recurring items; recurring earnings were only slightly better than in the year before. This was nonetheless commendable given an overall decline in occupancy in Australian nursing homes, higher compliance and operating costs, and Opal's ongoing investment in improving care quality across its portfolio of 77 homes, with substantial new capacity planned over the next five years. There is however some uncertainty as the sector is likely to face fundamental changes in government policy after the ongoing Royal Commission into Aged Care Quality and Safety completes its report in September 2020.

Our other associates contributed losses of S\$2.6 million (FY18: profit of S\$0.5 million), in the absence of asset sales at Value Monetization and at Habitat's retirement village operations in Australia.

Dividend

The Directors propose a first and final dividend of 2 cents per share for 2019.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

We expect Boardroom and Opal to provide stable contributions in 2020, while Allium will continue to be loss-making as its nursing home scales up operations across the year. Investment returns and currency fluctuations are by their nature difficult to predict, but may have a significant impact on the Group's income in the year ahead.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

| | Note | Group | | | Group | | |
|--|------|-----------------|-----------------|---------|------------------|-----------------|---------|
| | | 3 months ended | | + / (-) | Year ended | | + / (-) |
| | | 31 Dec 2019 | 31 Dec 2018 | | 31 Dec 2019 | 31 Dec 2018 | |
| | | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Revenue | | | | | | | |
| Corporate services revenue | | 28,798 | 27,058 | 6 | 106,120 | 91,486 | 16 |
| Investment income / (loss) | | 3,501 | (6,368) | NM | 9,024 | (2,947) | NM |
| Other income | | 660 | 362 | 82 | 1,782 | 1,644 | 8 |
| Total revenue | | 32,959 | 21,052 | 57 | 116,926 | 90,183 | 30 |
| Cost and expenses | | | | | | | |
| Employees' compensation and related costs | | (16,629) | (15,454) | 8 | (65,168) | (54,023) | 21 |
| Office and equipment rental costs | | 14 | (2,000) | NM | (2,148) | (7,546) | (72) |
| Depreciation and amortisation | | (4,356) | (1,893) | 130 | (13,339) | (6,017) | 122 |
| Technology and information services costs | | (657) | (585) | 12 | (2,478) | (2,012) | 23 |
| Loss on foreign currency exchange | | (222) | (2,999) | (93) | (313) | (3,999) | (92) |
| Provision for doubtful debts | | (413) | (396) | 4 | (1,269) | (283) | 348 |
| Other operating expenses | | (7,731) | (5,879) | 32 | (24,807) | (20,826) | 19 |
| Total cost and expenses | | (29,994) | (29,206) | 3 | (109,522) | (94,706) | 16 |
| Profit / (loss) from operating activities | | 2,965 | (8,154) | NM | 7,404 | (4,523) | NM |
| Finance costs | | (1,500) | (1,206) | 24 | (5,566) | (3,635) | 53 |
| Share of profit / (loss) of associates | | 3,072 | (490) | NM | 7,686 | 7,171 | 7 |
| Profit / (loss) before tax | | 4,537 | (9,850) | NM | 9,524 | (987) | NM |
| Taxation | B | 913 | 500 | 83 | (991) | (2,704) | (63) |
| Profit / (loss) for the year | C | 5,450 | (9,350) | NM | 8,533 | (3,691) | NM |
| Other comprehensive income / (loss) | | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | | |
| Net fair value loss on financial assets | | (3,502) | (5,059) | (31) | (7,974) | (613) | 1,201 |
| Items that may be reclassified subsequently to profit or loss | | | | | | | |
| Share of other comprehensive income / (loss) of associates | | 195 | (123) | NM | 308 | 40 | 670 |
| Net gain / (loss) on cash flow hedge | | 54 | (248) | NM | 214 | (248) | NM |
| Net gain on hedge of net investment | | - | - | NM | - | 794 | NM |
| Foreign currency translation | | 1,731 | (2,902) | NM | (3,967) | (15,159) | (74) |
| Other comprehensive loss for the year, net of tax | | (1,522) | (8,332) | (82) | (11,419) | (15,186) | (25) |
| Total comprehensive income / (loss) for the year | | 3,928 | (17,682) | NM | (2,886) | (18,877) | (85) |
| Profit / (loss) attributable to: | | | | | | | |
| Owners of the Company | | 5,122 | (9,371) | NM | 7,943 | (4,379) | NM |
| Non-controlling interests | | 328 | 21 | 1,462 | 590 | 688 | (14) |
| | | 5,450 | (9,350) | NM | 8,533 | (3,691) | NM |
| Total comprehensive income / (loss) attributable to: | | | | | | | |
| Owners of the Company | | 3,620 | (17,808) | NM | (3,444) | (19,415) | (82) |
| Non-controlling interests | | 308 | 126 | 144 | 558 | 538 | 4 |
| | | 3,928 | (17,682) | NM | (2,886) | (18,877) | (85) |

NM: Not meaningful

Earnings per share - basic and diluted

| | | | | |
|---|------------|--------------|------------|--------------|
| E | 1.58 cents | (2.89) cents | 2.45 cents | (1.35) cents |
|---|------------|--------------|------------|--------------|

Financial Statements

BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

| | Note | Group | | Company | |
|---|------|-------------|-------------|-------------|-------------|
| | | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 31,174 | 37,624 | - | - |
| Right-of-use assets | | 39,413 | - | 1,769 | - |
| Intangible assets | | 138,925 | 143,749 | - | - |
| Investment properties | | 3,727 | 3,727 | - | - |
| Subsidiaries | | - | - | 229,135 | 229,270 |
| Associates | | 180,536 | 191,454 | - | - |
| Long-term investments | | 178,701 | 189,854 | 4,763 | 5,642 |
| Lease receivables | | 533 | - | - | - |
| Deferred tax assets | | 11,398 | 7,789 | - | - |
| Current assets | | | | | |
| Amounts receivable from subsidiaries | | - | - | 163,460 | 136,791 |
| Trade debtors | | 25,450 | 24,503 | - | - |
| Other debtors | | 17,469 | 4,146 | 378 | 440 |
| Inventory | | 5 | - | - | - |
| Lease receivables | | 417 | - | - | - |
| Short-term investments | | 36,710 | 30,252 | - | - |
| Cash and bank balances | | 29,188 | 35,534 | 1,482 | 2,574 |
| | | 109,239 | 94,435 | 165,320 | 139,805 |
| Current liabilities | | | | | |
| Trade creditors | | 11,305 | 11,251 | - | - |
| Other creditors | | 18,676 | 18,228 | 431 | 529 |
| Lease liabilities | D | 6,578 | - | 873 | - |
| Bank borrowings | D | 75,247 | 92,446 | 43,379 | 18,598 |
| Provision for taxation | | 2,495 | 1,144 | 166 | 262 |
| | | 114,301 | 123,069 | 44,849 | 19,389 |
| Net current (liabilities) / assets | | (5,062) | (28,634) | 120,471 | 120,416 |
| Non-current liabilities | | | | | |
| Lease liabilities | D | 10,995 | - | 835 | - |
| Bank borrowings | D | 131,675 | 75,451 | 17,122 | - |
| Provision for employee benefits | | 367 | 234 | - | - |
| Deferred tax liabilities | | 13,072 | 15,608 | 1,530 | 1,457 |
| Net assets | | 423,236 | 454,270 | 336,651 | 353,871 |
| Equity attributable to Owners of the Company | | | | | |
| Share capital | | 191,987 | 191,987 | 191,987 | 191,987 |
| Revenue reserve | | 255,178 | 250,205 | 145,467 | 161,807 |
| Fair value adjustment reserve | | (2,379) | 9,121 | (940) | (60) |
| Foreign currency translation reserve | | (15,413) | (11,495) | - | - |
| Cash flow hedge reserve | | (429) | (934) | - | - |
| Transactions with non-controlling interests | | (14,634) | (5,434) | - | - |
| Capital reserve | | 137 | 137 | 137 | 137 |
| | | 414,447 | 433,587 | 336,651 | 353,871 |
| Non-controlling interests | | 8,789 | 20,683 | - | - |
| Total equity | | 423,236 | 454,270 | 336,651 | 353,871 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Attributable to Owners of the Company

| Group | Attributable to Owners of the Company | | | | | | | Equity | Non- | Total |
|---|---------------------------------------|----------------|----------------|-----------------|--------------|-------------------|------------|-----------------|---------------|-----------------|
| | Share | Revenue | Fair Value | Foreign | Cash Flow | Transactions with | Capital | | | |
| 2019 | Capital | Reserve | Adjustment | Currency | Hedge | Non-controlling | Reserve | Owners of the | Interests | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2019 | 191,987 | 250,205 | 9,121 | (11,495) | (934) | (5,434) | 137 | 433,587 | 20,683 | 454,270 |
| Profit for the year | - | 7,943 | - | - | - | - | - | 7,943 | 590 | 8,533 |
| Other comprehensive income / (loss) | | | | | | | | | | |
| Net fair value loss on financial assets | - | - | (7,974) | - | - | - | - | (7,974) | - | (7,974) |
| Share of other comprehensive income of associates | - | - | - | - | 308 | - | - | 308 | - | 308 |
| Net gain on cash flow hedge | - | - | - | - | 197 | - | - | 197 | 17 | 214 |
| Foreign currency translation | - | - | - | (3,918) | - | - | - | (3,918) | (49) | (3,967) |
| Other comprehensive income / (loss) for the year | - | - | (7,974) | (3,918) | 505 | - | - | (11,387) | (32) | (11,419) |
| Total comprehensive income / (loss) for the year | - | 7,943 | (7,974) | (3,918) | 505 | - | - | (3,444) | 558 | (2,886) |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Group | Attributable to Owners of the Company | | | | | | | | | |
|--|---------------------------------------|-----------------|-------------------------------|------------------------------|-------------------------|---|-----------------|---------------------------------------|---------------------------|----------------|
| | Share Capital | Revenue Reserve | Fair Value Adjustment Reserve | Foreign | Cash Flow Hedge Reserve | Transactions with Non-controlling Interests | Capital Reserve | Equity | Non-controlling Interests | Total Equity |
| | | | | Currency Translation Reserve | | | | Attributable to Owners of the Company | | |
| 2019 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Contributions by and distributions to Owners | | | | | | | | | | |
| Dividend on ordinary shares | - | (6,496) | - | - | - | - | - | (6,496) | - | (6,496) |
| Total contributions by and distributions to Owners | - | (6,496) | - | - | - | - | - | (6,496) | - | (6,496) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (808) | (808) |
| Acquisition of non-controlling interests without a change in control | - | - | - | - | - | (9,200) | - | (9,200) | (11,644) | (20,844) |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | (9,200) | - | (9,200) | (12,452) | (21,652) |
| Total transactions with Owners in their capacity as Owners | - | (6,496) | - | - | - | (9,200) | - | (15,696) | (12,452) | (28,148) |
| Others | | | | | | | | | | |
| Transfer of gain on disposal of financial assets | - | 3,526 | (3,526) | - | - | - | - | - | - | - |
| Total others | - | 3,526 | (3,526) | - | - | - | - | - | - | - |
| Balance at 31 December 2019 | 191,987 | 255,178 | (2,379) | (15,413) | (429) | (14,634) | 137 | 414,447 | 8,789 | 423,236 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Group 2018 | 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 | | |
| Balance at 1 January 2018 (FRS framework) | 191,987 | 210,307 | 96,948 | (18,767) | (774) | (9,154) | 137 | 470,684 | 12,160 | 482,844 |
| Adoption of SFRS(I) 1 | - | (16,226) | - | 16,226 | - | - | - | - | - | - |
| Adoption of SFRS(I) 9 | - | 7,373 | (12,682) | 5,309 | - | - | - | - | - | - |
| Balance at 1 January 2018 (SFRS(I) framework) | 191,987 | 201,454 | 84,266 | 2,768 | (774) | (9,154) | 137 | 470,684 | 12,160 | 482,844 |
| (Loss) / profit for the year | - | (4,379) | - | - | - | - | - | (4,379) | 688 | (3,691) |
| Other comprehensive income / (loss) | | | | | | | | | | |
| Net fair value loss on financial assets | - | - | (613) | - | - | - | - | (613) | - | (613) |
| Share of other comprehensive income of associates | - | - | - | - | 40 | - | - | 40 | - | 40 |
| Net loss on cash flow hedge | - | - | - | - | (200) | - | - | (200) | (48) | (248) |
| Net gain on hedge of net investment | - | - | - | 794 | - | - | - | 794 | - | 794 |
| Foreign currency translation | - | - | - | (15,057) | - | - | - | (15,057) | (102) | (15,159) |
| Other comprehensive loss for the year | - | - | (613) | (14,263) | (160) | - | - | (15,036) | (150) | (15,186) |
| Total comprehensive (loss) / income for the year | - | (4,379) | (613) | (14,263) | (160) | - | - | (19,415) | 538 | (18,877) |

Financial Statements

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 | | | | | | | | | | |
| Unclaimed dividend | - | 17 | - | - | - | - | - | 17 | - | 17 |
| Dividend on ordinary shares | - | (19,492) | - | - | - | - | - | (19,492) | - | (19,492) |
| Shares re-purchased | - | (1,927) | - | - | - | - | - | (1,927) | - | (1,927) |
| Total contributions by and distributions to Owners | - | (21,402) | - | - | - | - | - | (21,402) | - | (21,402) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | |
| Issuance of shares to non-controlling interests | - | - | - | - | - | 3,762 | - | 3,762 | 8,718 | 12,480 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (611) | (611) |
| Acquisition of non-controlling interests without a change in control | - | - | - | - | - | (42) | - | (42) | (122) | (164) |
| Total changes in ownership interests in subsidiaries | - | - | - | - | - | 3,720 | - | 3,720 | 7,985 | 11,705 |
| Total transactions with Owners in their capacity as Owners | - | (21,402) | - | - | - | 3,720 | - | (17,682) | 7,985 | (9,697) |
| Others | | | | | | | | | | |
| Transfer of gain on disposal of financial assets | - | 74,532 | (74,532) | - | - | - | - | - | - | - |
| Total others | - | 74,532 | (74,532) | - | - | - | - | - | - | - |
| Balance at 31 December 2018 | 191,987 | 250,205 | 9,121 | (11,495) | (934) | (5,434) | 137 | 433,587 | 20,683 | 454,270 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Company 2019 | Fair Value | | | | Total Equity \$'000 |
|---|----------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------|
| | Share Capital \$'000 | Revenue Reserve \$'000 | Adjustment Reserve \$'000 | Capital Reserve \$'000 | |
| | Balance at 1 January 2019 | 191,987 | 161,807 | (60) | |
| Loss for the year | - | (9,844) | - | - | (9,844) |
| Other comprehensive income | | | | | |
| Net fair value loss on financial assets | - | - | (880) | - | (880) |
| Total comprehensive income for the year | - | (9,844) | (880) | - | (10,724) |
| Contributions by and distributions to Owners | | | | | |
| Dividend on ordinary shares | - | (6,496) | - | - | (6,496) |
| Total transactions with Owners in their capacity as Owners | - | (6,496) | - | - | (6,496) |
| Balance at 31 December 2019 | 191,987 | 145,467 | (940) | 137 | 336,651 |

| Company 2018 | Fair Value | | | | Total Equity \$'000 |
|---|----------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------|
| | Share Capital \$'000 | Revenue Reserve \$'000 | Adjustment Reserve \$'000 | Capital Reserve \$'000 | |
| | Balance at 1 January 2018 | 191,987 | 131,323 | (161) | |
| Profit for the year | - | 51,886 | - | - | 51,886 |
| Other comprehensive income | | | | | |
| Net fair value gain on financial assets | - | - | 101 | - | 101 |
| Total comprehensive income for the year | - | 51,886 | 101 | - | 51,987 |
| Contributions by and distributions to Owners | | | | | |
| Unclaimed dividend | - | 17 | - | - | 17 |
| Dividend on ordinary shares | - | (19,492) | - | - | (19,492) |
| Shares re-purchased | - | (1,927) | - | - | (1,927) |
| Total transactions with Owners in their capacity as Owners | - | (21,402) | - | - | (21,402) |
| Balance at 31 December 2018 | 191,987 | 161,807 | (60) | 137 | 353,871 |

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

| | Group | |
|--|-------------|-------------|
| | Year ended | |
| | 31 Dec 2019 | 31 Dec 2018 |
| | \$'000 | \$'000 |
| Operating activities | | |
| Profit / (loss) before tax | 9,524 | (987) |
| Adjustments for :- | | |
| Depreciation and amortisation | 13,339 | 6,017 |
| Loss / (gain) on disposal of property, plant and equipment | 24 | (170) |
| Impairment of right-of-use asset | 105 | - |
| Finance costs | 5,566 | 3,635 |
| Interest income | (928) | (1,047) |
| Dividend income | (3,549) | (1,708) |
| Provision for doubtful debts | 1,269 | 283 |
| Fair value adjustment | (6,263) | 9,197 |
| Share of profit of associates | (7,686) | (7,171) |
| Operating cash flows before changes in working capital | 11,401 | 8,049 |
| (Increase) / decrease in debtors | (2,154) | 818 |
| Increase in inventory | (5) | - |
| (Increase) / decrease in short-term investments | (157) | 5,755 |
| Decrease in creditors | (61) | (12,516) |
| Cash flows from operations | 9,024 | 2,106 |
| Interest paid | (5,233) | (3,356) |
| Interest received | 928 | 1,039 |
| Income tax paid | (3,469) | (2,039) |
| Net cash flows from / (used in) operating activities | 1,250 | (2,250) |
| Investing activities | | |
| Purchase of property, plant and equipment | (19,240) | (8,037) |
| Proceeds from disposal of property, plant and equipment | - | 200 |
| Purchase of intangible assets | (1,620) | (1,812) |
| Purchase of long-term investments | (30,929) | (75,479) |
| Proceeds from sale of long-term investments | 19,301 | 138,418 |
| Acquisition of subsidiaries, net of cash acquired | - | (39,920) |
| Investment in associates | - | (4,274) |
| Capital distribution from associates | 3,081 | - |
| Net dividend received from associates | 12,159 | 14,138 |
| Dividend income received | 3,491 | 1,629 |
| Net cash flows (used in) / from investing activities | (13,757) | 24,863 |
| Financing activities | | |
| Unclaimed dividend | - | 17 |
| Dividend paid | (6,496) | (19,492) |
| Shares re-purchased | - | (1,927) |
| Dividend paid to non-controlling interests | (808) | (611) |
| Acquisition of non-controlling interests | (20,844) | (164) |
| Repayment of lease liabilities | (5,418) | - |
| Proceeds from bank borrowings | 39,611 | 972 |
| Net cash flows from / (used in) financing activities | 6,045 | (21,205) |
| Net (decrease) / increase in cash and cash equivalents | (6,462) | 1,408 |
| Effect of exchange rate changes in opening cash and cash equivalents | 116 | 4,713 |
| Cash and cash equivalents at beginning of year | 35,534 | 29,413 |
| Cash and cash equivalents at end of year | 29,188 | 35,534 |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the year ended 31 December 2019, no (2018: 1,674,200) shares were purchased by the Company and no (2018: Nil) shares were issued. The total number of issued shares as at 31 December 2019 was 324,810,137 (Dec 2018: 324,810,137). There were no treasury shares or subsidiary holdings as at 31 December 2019 and 2018.

B. REVENUE AND EXPENSES

Profit before tax includes the following:

| | Group Year ended | |
|--|---------------------|-------------|
| | 31 Dec 2019 | 31 Dec 2018 |
| | \$'000 | \$'000 |
| Investment income: | | |
| Fair value adjustment for short-term investments | 6,301 | (8,999) |
| Fair value adjustment for long-term investments | (38) | (198) |
| (Loss) / gain on sale of short-term investments | (1,716) | 3,495 |
| Dividend income | 3,549 | 1,708 |
| Interest income: | | |
| - Bank deposits | 901 | 977 |
| - Leases | 27 | - |
| - Others | - | 70 |
| Other income: | | |
| Rental income | 414 | 897 |
| Finance costs: | | |
| Interest expense: | | |
| - Bank loans and overdrafts | (4,975) | (3,635) |
| - Leases | (588) | - |
| - Others | (3) | - |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

| | Group Year ended | |
|---|-----------------------|-----------------------|
| | 31 Dec 2019 \$'000 | 31 Dec 2018 \$'000 |
| Current income tax | | |
| Current year | (5,684) | (4,659) |
| Overprovision in respect of prior years | 412 | 312 |
| Deferred tax | | |
| Current year | 3,492 | 829 |
| Overprovision in respect of prior years | 789 | 814 |
| | <u>(991)</u> | <u>(2,704)</u> |

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

| | Secured | | Unsecured | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec 2019 \$'000 | 31 Dec 2018 \$'000 | 31 Dec 2019 \$'000 | 31 Dec 2018 \$'000 |
| Amount due within one year | 16,807 | 42,036 | 65,018 | 50,410 |
| Amount due after one year | <u>109,020</u> | <u>38,001</u> | <u>33,650</u> | <u>37,450</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 profit attributable to Owners of \$7,943,000 (2018: loss of \$4,379,000) by the weighted average number of ordinary shares in issue during the year of 324,810,137 (2018: 325,119,787).

There were no outstanding share options as at 31 December 2019 and 2018.

F. NET ASSET VALUE PER SHARE

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 |
| Net asset value per share based on existing issued share capital as at the end of the respective year | <u>127.60 cts</u> | <u>133.49 cts</u> | <u>103.65 cts</u> | <u>108.95 cts</u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS

| 2019 | Investment holding \$'000 | Corporate services \$'000 | Adjustments and eliminations \$'000 | Total \$'000 |
|----------------------------------|---------------------------------|---------------------------------|--|-----------------------|
| Revenue | | | | |
| External revenue | 9,410 | 107,516 | - | 116,926 |
| Inter-segment revenue | - | 142 | (142) | - |
| Total revenue | <u>9,410</u> | <u>107,658</u> | <u>(142)</u> | <u>116,926</u> |
| Results | | | | |
| Interest income | 7 | 921 | - | 928 |
| Finance costs | 1,432 | 4,134 | - | 5,566 |
| Depreciation and amortisation | 2,382 | 10,957 | - | 13,339 |
| Fair value adjustments | 6,291 | (28) | - | 6,263 |
| Share of profit of associates | 7,533 | 153 | - | 7,686 |
| Segment profit | <u>1,637</u> | <u>7,887</u> | <u>-</u> | <u>9,524</u> |
| Assets | | | | |
| Investment in associates | 177,292 | 3,244 | - | 180,536 |
| Additions to non-current assets | 19,307 | 24,937 | - | 44,244 |
| Segment assets | <u>474,676</u> | <u>207,590</u> | <u>(18)</u> | <u>682,248</u> |
| Unallocated assets | | | | <u>11,398</u> |
| Total assets | | | | <u><u>693,646</u></u> |
| Liabilities | | | | |
| Segment liabilities | <u>117,355</u> | <u>137,506</u> | <u>(18)</u> | <u>254,843</u> |
| Unallocated liabilities | | | | <u>15,567</u> |
| Total liabilities | | | | <u><u>270,410</u></u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS (CONTINUED)

| 2018 | Investment holding \$'000 | Corporate services \$'000 | Adjustments and eliminations \$'000 | Total \$'000 |
|----------------------------------|---------------------------------|---------------------------------|--|-----------------------|
| Revenue | | | | |
| External revenue | (2,640) | 92,823 | - | 90,183 |
| Inter-segment revenue | - | 122 | (122) | - |
| Total revenue | <u>(2,640)</u> | <u>92,945</u> | <u>(122)</u> | <u>90,183</u> |
| Results | | | | |
| Interest income | 249 | 798 | - | 1,047 |
| Finance costs | 1,331 | 2,304 | - | 3,635 |
| Depreciation and amortisation | 347 | 5,670 | - | 6,017 |
| Fair value adjustments | (9,197) | - | - | (9,197) |
| Share of profit of associates | 7,166 | 5 | - | 7,171 |
| Segment profit / (loss) | <u>(7,163)</u> | <u>6,176</u> | <u>-</u> | <u>(987)</u> |
| Assets | | | | |
| Investment in associates | 188,295 | 3,159 | - | 191,454 |
| Additions to non-current assets | 6,717 | 3,132 | - | 9,849 |
| Segment assets | <u>484,867</u> | <u>175,986</u> | <u>(10)</u> | <u>660,843</u> |
| Unallocated assets | | | | <u>7,789</u> |
| Total assets | | | | <u><u>668,632</u></u> |
| Liabilities | | | | |
| Segment liabilities | <u>83,290</u> | <u>114,330</u> | <u>(10)</u> | <u>197,610</u> |
| Unallocated liabilities | | | | <u>16,752</u> |
| Total liabilities | | | | <u><u>214,362</u></u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS (CONTINUED)

| | Revenue from External Customers | |
|----------------------|--|---------------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| Singapore | | |
| - Investment holding | 9,410 | (2,640) |
| - Corporate services | 32,697 | 31,537 |
| Australia | 39,321 | 35,691 |
| Malaysia | 22,274 | 12,666 |
| Hong Kong | 11,741 | 11,314 |
| China | 1,483 | 1,615 |
| Total | 116,926 | 90,183 |

| | Non-current Assets | |
|--------------|---------------------------|----------------|
| | 2019 | 2018 |
| | \$'000 | \$'000 |
| Singapore | 91,972 | 72,276 |
| Australia | 52,520 | 50,308 |
| Malaysia | 64,051 | 58,665 |
| Hong Kong | 4,279 | 3,806 |
| China | 417 | 44 |
| Total | 213,239 | 185,100 |

Non-current assets consist of property, plant and equipment, right-of-use assets, intangible assets and investment properties.

H. BREAKDOWN OF SALES

| | Group | | + / (-) |
|--|--------------------|--------------------|----------------|
| | Year ended | | |
| | 31 Dec 2019 | 31 Dec 2018 | |
| | \$'000 | \$'000 | % |
| <u>First Half</u> | | | |
| Sales reported for first half year | | | |
| - Investment holding | 5,250 | 2,030 | 159 |
| - Corporate services | 51,108 | 42,697 | 20 |
| Operating profit after tax before deducting non-controlling interests reported for first half year | 3,335 | 2,643 | 26 |
| <u>Second Half</u> | | | |
| Sales reported for second half year | | | |
| - Investment holding | 4,160 | (4,670) | NM |
| - Corporate services | 56,408 | 50,126 | 13 |
| Operating profit / (loss) after tax before deducting non-controlling interests reported for second half year | 5,198 | (6,334) | NM |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

I. 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

| | Group and Company Year ended | |
|---|---------------------------------|-----------------------|
| | 31 Dec 2019 \$'000 | 31 Dec 2018 \$'000 |
| Final dividends paid, 2.0 cents per ordinary share, one-tier tax exempt (2018: 3.0 cents per ordinary share) | 6,496 | 9,746 |
| Special dividends paid, Nil (2018: 3.0 cents per ordinary share, one-tier tax exempt) | - | 9,746 |
| | 6,496 | 19,492 |

The Directors recommend a final dividend of 2 cents per ordinary share (one-tier tax exempt) be paid in respect of the current financial year. The proposed final dividend will amount to approximately \$6,496,000.

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.

DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

| Name | Age | Family relationship with any director, CEO, or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|-----|--|---|---|
| Goh Geok Khim | 87 | Father of Goh Yew Lin | Executive Chairman since 1990 | No change |
| Goh Yew Lin | 60 | Son of Goh Geok Khim | (1) Executive Director - Oversee the group's investments since 1990 (2) Managing Director - Overall management of the group since 2008 | No change |

Financial Statements

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

24 February 2020
Singapore