



**Financial statements
and related announcement
Year ended 31 December 2018**

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the Fourth Quarter

The Group recorded a loss of S\$9.4 million in the fourth quarter (4Q17: profit of S\$8.5 million). Various factors contributed to this, in particular the sharp declines seen in major equity markets in the fourth quarter, which led to investment losses of S\$6.4 million (4Q17: income of S\$11.2 million). In addition, both Boardroom Limited (“Boardroom”) and Opal Aged Care Group (“Opal”) were affected by a combination of one-time costs and accounting changes, as explained below. The Group’s net loss, excluding these non-recurring items, would have been S\$2.1 million.

Boardroom saw a 17% year-on-year increase in revenues to S\$27.1 million, reflecting in part the merger of its Malaysian operations with the Symphony group. However, Boardroom’s profits were substantially lower at S\$0.4 million (4Q17: S\$5.1 million). The most significant part of the difference relates to the adoption of financial reporting standard SFRS(I) 9. Boardroom’s investment in its Australian subsidiary is largely held through redeemable preference shares (“RPS”). Under SFRS(I) 9, RPS are regarded as debt instruments and any unrealised foreign exchange differences are taken into profit and loss account; in the past, this was recognised as foreign currency translation in other comprehensive income. This led to a S\$2.1 million loss which was charged to Boardroom’s profit and loss account. Excluding non-recurring post-acquisition integration costs and effects of accounting changes, Boardroom’s core net profits would have been S\$3.2 million. For more details on Boardroom’s performance, please refer to its results announcement on www.boardroomlimited.com.

Our Australian aged care associate, Opal, contributed a fourth quarter loss of S\$1.7 million (4Q17: profit of S\$3.3 million). Much of the decline in performance relates to a number of one-off charges, the largest part of which relates to an accounting adjustment for the over-accrual of deferred tax asset from past acquisitions. Excluding the one-off charges, Opal would have contributed a profit of S\$2.8 million. Opal’s operating margins have been constrained by changes to the Australian government’s aged care funding since 2016, with the impact felt progressively over the past three years.

In Singapore, Allium Healthcare (“Allium”) opened its first Allium Care Studio in Joo Chiat in August, with a second such facility opening soon in Seletar Hills. Its flagship nursing home, Allium Care Suites, will take its first residents in the second quarter of 2019. Revenues were minimal in the fourth quarter while costs have been building up ahead of the nursing home’s opening. Allium’s Singapore operations contributed a loss of S\$0.9 million for this quarter (4Q17: nil).

Habitat Assets Pte Ltd (“Habitat”) made a contribution of S\$1.5 million (4Q17: S\$0.5 million) mainly from the net deferred management fees and revaluation gains from its portfolio of mature retirement homes in Australia, offset by operating costs from the ongoing development of a new retirement village at Hidden Valley, north of Melbourne.

The Group’s other comprehensive income was also affected by a combination of write-downs in the value of long-term listed investments totalling S\$5.1 million, and foreign currency translation losses of S\$2.9 million, the latter mostly reflecting the weakness of the Australian currency relative to the Singapore dollar. Consequently, total comprehensive income amounted to a loss of S\$17.7 million, compared with positive income of S\$60.8 million in 4Q17.

The implementation of SFRS(I) 9 has also affected the accounting treatment for prior year foreign exchange loss on Boardroom’s Australian subsidiary, resulting in the transfer of S\$5.3 million from Foreign Currency Translation Reserve into Revenue Reserve. This accounting classification adjustment has no net impact on the Group’s equity or net assets.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Results for the Year

Net loss for the Group in 2018 amounted to S\$3.7 million (FY17: profit of S\$25.6 million). Investment losses totalled S\$2.9 million (FY17: profit of S\$23.9 million), reflecting weak stock markets. Excluding non-recurring items at Boardroom and Opal, core earnings after tax for the Group would have been S\$3.8 million.

Opal's net profit contribution totalled S\$6.7 million (FY17: S\$18.5 million). Core profit contribution, excluding the non-recurring items noted earlier, would have been S\$11.2 million (39% down year-on-year). Part of the decline reflects the cumulative impact of margin pressures from the 2016 changes to government funding, coupled with a slight decline in occupancy. Opal is also in the midst of a major program to build new residential aged care homes, with higher debt leading to increased borrowing costs. Heightened regulatory scrutiny and the recently-commenced Royal Commission inquiry into the aged care sector have raised operating costs. The Royal Commission's hearings will lead to an interim report in October 2019, and a final report in April 2020. Its recommendations will have a substantial impact on the future direction of the aged care sector in Australia.

Boardroom contributed lower net profits of S\$7.0 million (FY17: S\$10.6 million) despite a 14% increase in revenue. Besides the adoption of SFRS(I) 9, which resulted in a S\$2.1 million foreign exchange loss noted earlier, a large part of the decline in profits was due to higher operating and financing costs (including S\$1.0 million of non-recurring transaction costs) coming from the Malaysian and Australian acquisitions. More resources were required in the initial phase of the post-merger integration and we believe that this would drive the desired synergy and operational efficiency of the enlarged and more dominant businesses in the respective countries. Excluding non-recurring charges, Boardroom's net profits would have been S\$10.0 million. At the recurring EBITDA level, Boardroom grew its full year EBITDA by 13% from S\$15.2 million in 2017 to S\$17.1 million in 2018.

Total comprehensive income was substantially affected by the impact of the weak Australian currency on the Group's Australian investments, principally Opal and Habitat. Foreign currency translation losses amounted to S\$15.2 million, and total comprehensive loss for the full year amounted to S\$18.9 million (FY17: profit of S\$93.3 million). The Group's net asset value per share declined to S\$1.3349 (FY17: S\$1.4417), after the payment of 6 cents in dividends during the year.

The Group was in a net current liability position at the end of the year. This came about because one of our long-term secured loans is maturing within the next 12 months. Discussions are underway to refinance this loan, and the directors are confident that new terms will be agreed before the end of June 2019. Overall, the Group's net gearing is 23%.

It has been the Board's policy to pay a regular dividend, and in exceptional years to supplement this with a special dividend. Last year, when we realised the profits from the sale of long-term investments, the regular dividend of 3 cents per share was boosted by a special dividend of 3 cents. In 2018, our returns were affected by unrealised equity market losses, changes in accounting treatment, foreign exchange, and some non-recurring costs. Taking all these factors into account, the Board recommends a first and final dividend of 2 cents per share.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

We expect Boardroom and Opal to return satisfactory profits in 2019, 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 2018	31 Dec 2017		31 Dec 2018	31 Dec 2017	
		\$'000	\$'000		\$'000	\$'000	
CONTINUING OPERATIONS							
Revenue							
Corporate services revenue		27,058	23,096	17	91,486	80,581	14
Investment (loss) / income		(6,368)	11,223	NM	(2,947)	23,903	NM
Other income		362	806	(55)	1,644	3,404	(52)
Total revenue		21,052	35,125	(40)	90,183	107,888	(16)
Cost and expenses							
Employees' compensation and related costs		(15,454)	(21,899)	(29)	(54,023)	(63,218)	(15)
Office and equipment rental costs		(2,000)	(1,819)	10	(7,546)	(7,110)	6
Depreciation and amortisation		(1,893)	(782)	142	(6,017)	(5,276)	14
Technology and information services costs		(585)	(469)	25	(2,012)	(1,294)	55
(Loss) / gain on foreign currency exchange		(2,999)	207	NM	(3,999)	1,986	NM
Provision for doubtful debts		(396)	(434)	(9)	(283)	(856)	(67)
Other operating expenses		(5,879)	(5,529)	6	(20,826)	(18,877)	10
Total cost and expenses		(29,206)	(30,725)	(5)	(94,706)	(94,645)	0
(Loss) / profit from operating activities		(8,154)	4,400	NM	(4,523)	13,243	NM
Finance costs		(1,206)	(983)	23	(3,635)	(5,153)	(29)
Share of (loss) / profit of associates		(490)	4,334	NM	7,171	18,792	(62)
(Loss) / profit before tax from continuing operations	B	(9,850)	7,751	NM	(987)	26,882	NM
Taxation	C	500	789	(37)	(2,704)	(831)	225
(Loss) / profit from continuing operations, net of tax		(9,350)	8,540	NM	(3,691)	26,051	NM
DISCONTINUED OPERATIONS							
Loss from discontinued operations, net of tax		-	-	NM	-	(407)	NM
(Loss) / profit for the year		(9,350)	8,540	NM	(3,691)	25,644	NM
OTHER COMPREHENSIVE INCOME / (LOSS)							
Items that will not be reclassified to profit or loss							
Net fair value loss on financial assets		(5,059)	-	NM	(613)	-	NM
Items that may be reclassified subsequently to profit or loss							
Net fair value gain on financial assets		-	58,199	NM	-	72,911	NM
- fair value gain		-	58,199	NM	-	72,911	NM
- transferred to profit or loss on disposal		-	(1,490)	NM	-	(2,987)	NM
Share of other comprehensive (loss) / income of associates		(123)	22	NM	40	21	90
Net loss on cash flow hedge		(248)	-	NM	(248)	-	NM
Net gain / (loss) on hedge of net investment		-	872	NM	794	(241)	NM
Foreign currency translation		(2,902)	(5,342)	(46)	(15,159)	(2,097)	623
Other comprehensive (loss) / income for the year, net of tax		(8,332)	52,261	NM	(15,186)	67,607	NM
Total comprehensive (loss) / income for the year		(17,682)	60,801	NM	(18,877)	93,251	NM
Profit / (loss) attributable to:							
Owners of the Company							
- (Loss) / profit from continuing operations		(9,371)	7,933	NM	(4,379)	25,224	NM
- Loss from discontinued operations		-	-	NM	-	(407)	NM
Non-controlling interests		21	607	(97)	688	827	(17)
		(9,350)	8,540	NM	(3,691)	25,644	NM
Total comprehensive income / (loss) attributable to:							
Owners of the Company							
- Total comprehensive (loss) / income from continuing operations		(17,808)	60,338	NM	(19,415)	92,628	NM
- Total comprehensive loss from discontinued operations		-	-	NM	-	(407)	NM
Non-controlling interests		126	463	(73)	538	1,030	(48)
		(17,682)	60,801	NM	(18,877)	93,251	NM
NM : Not meaningful							
Earnings per share (basic and diluted)							
- from continuing operations	E	(2.89) cents	2.43 cents		(1.35) cents	7.72 cents	
- from discontinued operations		-	-		-	(0.12) cents	
- total		(2.89) cents	2.43 cents		(1.35) cents	7.60 cents	

Financial Statements

BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group		Company	
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		37,624	31,420	-	-
Intangible assets		143,749	96,933	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	229,270	70,203
Associates		191,454	208,482	-	-
Long-term investments		189,854	254,542	5,642	5,542
Deferred tax assets		7,789	7,582	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	136,791	254,483
Trade debtors		24,503	19,448	-	-
Other debtors		4,146	6,767	440	436
Short-term investments		30,252	44,066	-	-
Cash and bank balances		35,534	29,413	2,574	572
		94,435	99,694	139,805	255,491
Current liabilities					
Trade creditors		11,251	9,540	-	-
Other creditors		18,228	27,632	529	522
Bank borrowings	D	92,446	82,787	18,598	6,249
Provision for taxation		1,144	404	262	129
		123,069	120,363	19,389	6,900
Net current (liabilities) / assets		(28,634)	(20,669)	120,416	248,591
Non-current liabilities					
Bank borrowings	D	75,451	83,036	-	-
Provision for employee benefits		234	254	-	-
Deferred tax liabilities		15,608	15,883	1,457	1,050
Net assets		454,270	482,844	353,871	323,286
Equity attributable to Owners of the Company					
Share capital		191,987	191,987	191,987	191,987
Revenue reserve		250,205	194,081	161,807	131,323
Fair value adjustment reserve		9,121	96,948	(60)	(161)
Foreign currency translation reserve		(11,495)	(2,541)	-	-
Cash flow hedge reserve		(934)	(774)	-	-
Transactions with non-controlling interests		(5,434)	(9,154)	-	-
Capital reserve		137	137	137	137
		433,587	470,684	353,871	323,286
Non-controlling interests		20,683	12,160	-	-
Total equity		454,270	482,844	353,871	323,286

Financial Statements

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

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
Balance at 1 January 2018, as previously reported	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, restated	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)

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group 2018	Attributable to Owners of the Company									
	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	Total Equity \$'000
				Currency Translation Reserve \$'000				Attributable to Owners of the Company \$'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

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group 2017	Attributable to Owners of the Company									
	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	Equity Attributable to Owners of the Company \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance at 1 January 2017, as previously reported	191,987	193,469	27,024	(16,226)	(795)	(7,097)	137	388,499	30,189	418,688
Adoption of SFRS(I) 1	-	(16,226)	-	16,226	-	-	-	-	-	-
Balance at 1 January 2017, restated	191,987	177,243	27,024	-	(795)	(7,097)	137	388,499	30,189	418,688
Profit for the year	-	24,817	-	-	-	-	-	24,817	827	25,644
Other comprehensive income / (loss)										
Net fair value gain on financial assets	-	-	69,924	-	-	-	-	69,924	-	69,924
Share of other comprehensive income of associates	-	-	-	-	21	-	-	21	-	21
Net loss on hedge of net investment	-	-	-	(241)	-	-	-	(241)	-	(241)
Foreign currency translation	-	-	-	(2,300)	-	-	-	(2,300)	203	(2,097)
Other comprehensive income / (loss) for the year	-	-	69,924	(2,541)	21	-	-	67,404	203	67,607
Total comprehensive income / (loss) for the year	-	24,817	69,924	(2,541)	21	-	-	92,221	1,030	93,251

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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
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contributions by and distributions to Owners										
Unclaimed dividend	-	7	-	-	-	-	-	7	-	7
Dividend on ordinary shares	-	(9,801)	-	-	-	-	-	(9,801)	-	(9,801)
Shares re-purchased	-	(215)	-	-	-	-	-	(215)	-	(215)
Total contributions by and distributions to Owners	-	(10,009)	-	-	-	-	-	(10,009)	-	(10,009)
Changes in ownership interests in subsidiaries										
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(495)	(495)
Disposal of subsidiary	-	2,030	-	-	-	(2,030)	-	-	(18,488)	(18,488)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(27)	-	(27)	(76)	(103)
Total changes in ownership interests in subsidiaries	-	2,030	-	-	-	(2,057)	-	(27)	(19,059)	(19,086)
Total transactions with Owners in their capacity as Owners	-	(7,979)	-	-	-	(2,057)	-	(10,036)	(19,059)	(29,095)
Balance at 31 December 2017	191,987	194,081	96,948	(2,541)	(774)	(9,154)	137	470,684	12,160	482,844

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2018	Share Capital \$'000	Revenue Reserve \$'000	Fair Value Adjustment Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Balance at 1 January 2018	191,987	131,323	(161)	137	323,286
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

Company 2017	Share Capital \$'000	Revenue Reserve \$'000	Fair Value Adjustment Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Balance at 1 January 2017	191,987	134,575	100	137	326,799
Profit for the year	-	6,757	-	-	6,757
Other comprehensive loss					
Net fair value loss on financial assets	-	-	(261)	-	(261)
Total comprehensive income / (loss) for the year	-	6,757	(261)	-	6,496
Contributions by and distributions to Owners					
Unclaimed dividend	-	7	-	-	7
Dividend on ordinary shares	-	(9,801)	-	-	(9,801)
Shares re-purchased	-	(215)	-	-	(215)
Total transactions with Owners in their capacity as Owners	-	(10,009)	-	-	(10,009)
Balance at 31 December 2017	191,987	131,323	(161)	137	323,286

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group	
	Year ended	
	31 Dec 2018	31 Dec 2017
	\$'000	\$'000
Operating activities		
(Loss) / profit before tax from continuing operations	(987)	26,882
Loss before tax from discontinued operations	-	(407)
	<hr/>	<hr/>
(Loss) / profit before tax, total	(987)	26,475
Adjustments for :-		
Depreciation and amortisation	6,017	5,283
Gain on disposal of property, plant and equipment	(170)	-
Gain on disposal of subsidiary	-	(2,817)
Finance costs	3,635	5,153
Interest income	(1,047)	(340)
Dividend income	(1,708)	(3,757)
Gain on sale of long-term investments	-	(13,199)
Provision for doubtful debts	283	856
Fair value adjustment	9,197	(875)
Share of profit of associates	(7,171)	(18,792)
	<hr/>	<hr/>
Operating cash flows before changes in working capital	8,049	(2,013)
Decrease / (increase) in debtors	818	(3,430)
Decrease / (increase) in short-term investments	5,755	(4,946)
(Decrease) / increase in creditors	(12,516)	12,542
	<hr/>	<hr/>
Cash flows from operations	2,106	2,153
Interest paid	(3,356)	(5,093)
Interest received	1,039	330
Income tax paid	(2,039)	(1,924)
	<hr/>	<hr/>
Net cash flows used in operating activities	(2,250)	(4,534)
Investing activities		
Purchase of property, plant and equipment	(8,037)	(30,311)
Proceeds from disposal of property, plant and equipment	200	-
Purchase of intangible assets	(1,812)	(1,826)
Purchase of long-term investments	(75,479)	(23,277)
Proceeds from sale of long-term investments	138,418	49,535
Acquisition of subsidiaries, net of cash acquired	(39,920)	(1,921)
Disposal of subsidiaries, net of cash	-	(63,948)
Investment in associates	(4,274)	-
Net dividend received from associates	14,138	18,715
Dividend income received	1,629	3,429
	<hr/>	<hr/>
Net cash flows from / (used in) investing activities	24,863	(49,604)
Financing activities		
Unclaimed dividend	17	7
Dividend paid	(19,492)	(9,801)
Shares re-purchased	(1,927)	(215)
Dividend paid to non-controlling interests	(611)	(495)
Acquisition of non-controlling interests	(164)	(103)
Proceeds from / (repayment of) bank borrowings	972	(18,495)
	<hr/>	<hr/>
Net cash flows used in financing activities	(21,205)	(29,102)
Net increase / (decrease) in cash and cash equivalents	1,408	(83,240)
Effect of exchange rate changes in opening cash and cash equivalents	4,713	(801)
Cash and cash equivalents at beginning of year	29,413	113,454
	<hr/>	<hr/>
Cash and cash equivalents at end of year	35,534	29,413

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the year ended 31 December 2018, 1,674,200 (2017: 202,200) shares were purchased by the Company and no (2017: Nil) shares were issued. The total number of issued shares as at 31 December 2018 was 324,810,137 (Dec 2017: 326,484,337). There were no treasury shares or subsidiary holdings as at 31 December 2018 and 2017.

B. REVENUE AND EXPENSES

Profit before tax includes the following:

	Group Year ended	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Investment income –		
Fair value adjustment for short-term investments	(8,999)	4,023
Fair value adjustment for long-term investments	(198)	(3,148)
Gain on sale of short-term investments	3,495	2,915
Gain on sale of long-term investments	-	13,199
Dividend income	1,708	3,757
Interest income:		
- Bank deposits	977	318
- Others	70	22
Gain on disposal of subsidiary	-	2,817
Other income –		
Deferred management fee income	-	1,263
Rental income	897	854
Finance costs –		
Interest expense -		
Bank loans and overdrafts	(3,635)	(5,100)
Others	-	(53)

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group Year ended	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Current income tax		
Current year	(4,659)	(3,503)
Overprovision in respect of prior years	312	490
Deferred tax		
Current year	829	1,833
Overprovision in respect of prior years	814	349
	<u>(2,704)</u>	<u>(831)</u>

The higher effective tax rate in the year ended 31 December 2018 was due to an increase in non-tax deductible expenses mainly arising from investment and foreign currency exchange losses. Profit before tax in 2017 included a gain on disposal of subsidiary which was not subjected to tax.

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Amount due within one year	42,036	37,208	50,410	45,579
Amount due after one year	38,001	76,036	37,450	7,000

Secured 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 \$4,379,000 (2017: profit of \$24,817,000) by the weighted average number of ordinary shares in issue during the period of 325,119,787 (2017: 326,660,220).

There were no outstanding share options as at 31 December 2018 and 2017.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net asset value per share based on existing issued share capital as at the end of the respective period	<u>133.49 cts</u>	<u>144.17 cts</u>	<u>108.95 cts</u>	<u>99.02 cts</u>

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS

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)

2017	Investment holding \$'000	Corporate services \$'000	Financial services (discontinued operation) \$'000	Adjustments and eliminations \$'000	Total \$'000
Revenue					
External revenue	26,177	81,711	313	(313)	107,888
Inter-segment revenue	8	120	3	(131)	-
Total revenue	<u>26,185</u>	<u>81,831</u>	<u>316</u>	<u>(444)</u>	<u>107,888</u>
Results					
Interest income	102	246	11	(19)	340
Finance costs	3,769	1,384	10	(10)	5,153
Depreciation and amortisation	635	4,641	7	(7)	5,276
Fair value adjustments	875	-	-	-	875
Share of profit of associates	18,792	-	-	-	18,792
Segment profit / (loss)	<u>17,344</u>	<u>9,357</u>	<u>(226)</u>	<u>407</u>	<u>26,882</u>
Assets					
Investment in associates	208,482	-	-	-	208,482
Additions to non-current assets	28,582	3,555	-	-	32,137
Segment assets	<u>552,033</u>	<u>142,789</u>	<u>-</u>	<u>(24)</u>	<u>694,798</u>
Unallocated assets					<u>7,582</u>
Total assets					<u><u>702,380</u></u>
Liabilities					
Segment liabilities	<u>130,344</u>	<u>72,929</u>	<u>-</u>	<u>(24)</u>	<u>203,249</u>
Unallocated liabilities					<u>16,287</u>
Total liabilities					<u><u>219,536</u></u>

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS (CONTINUED)

	Revenue from External Customers	
	2018	2017
	\$'000	\$'000
Singapore		
- Investment holding	(2,640)	26,177
- Corporate services	31,537	30,776
Australia	35,691	33,099
Malaysia	12,666	7,247
Hong Kong	11,314	8,944
China	1,615	1,645
Total	90,183	107,888

	Non-current Assets	
	2018	2017
	\$'000	\$'000
Singapore	72,276	66,970
Australia	50,308	51,546
Malaysia	58,665	9,557
Hong Kong	3,806	3,962
China	45	45
Total	185,100	132,080

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

H. BREAKDOWN OF SALES

	Group		
	Year ended		+ / (-)
	31 Dec 2018	31 Dec 2017	
	\$'000	\$'000	%
First Half			
Sales reported for first half year			
- Investment holding	2,030	12,239	(83)
- Corporate services	42,697	37,717	13
Operating profit after tax before deducting non-controlling interests reported for first half year	2,643	12,249	(78)
Second Half			
Sales reported for second half year			
- Investment holding	(4,670)	13,938	NM
- Corporate services	50,126	43,994	14
Operating (loss) / profit after tax before deducting non-controlling interests reported for second half year	(6,334)	13,802	NM

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

I. ACCOUNTING POLICIES

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), a new financial reporting framework identical to the International Financial Reporting Standards, on 1 January 2018. On transition to SFRS(I), the Group has elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017 and accordingly, reclassified the loss of \$16,226,000 in foreign currency translation reserve to opening revenue reserve.

The Group has also adopted SFRS(I) 9 and SFRS(I) 15 which took effect in the current financial year. Under SFRS(I) 9, the Group has elected to measure its available-for-sale long-term investments at fair value through other comprehensive income. Cumulative impairment losses of \$12,682,000 previously recognised in profit or loss were reclassified from opening revenue reserve to fair value adjustment reserve on 1 January 2018.

The Group's subsidiary, Boardroom Limited, previously classified the redeemable preference shares issued by its Australian subsidiary as part of its cost of investment in the subsidiary. Foreign currency exchange differences on the cost of investment were recognised in foreign currency translation reserve. On adoption of SFRS(I) 9, the investment is reclassified as a debt instrument at amortised cost and foreign currency exchange differences are recognised in profit or loss. As a result, a loss of S\$5,309,000 was reclassified from foreign currency translation reserve to opening revenue reserve.

The adoption of SFRS(I) 15 has no significant impact on the financial position and financial performance of the Group.

DIVIDENDS

	Group and Company Year ended	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Final dividend paid, 3.0 cents per ordinary share, one-tier tax exempt (2017: 3.0 cents per ordinary share)	9,746	9,801
Special dividend paid, 3.0 cents per ordinary share, one-tier tax exempt (2017: Nil)	9,746	-
	<u>19,492</u>	<u>9,801</u>

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.

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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	86	Father of Goh Yew Lin	Executive Chairman since 1990	No change
Goh Yew Lin	59	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

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

26 February 2019
Singapore