BoardRoom
Smart Business Solutions

CULTIVATING GROWTH, NURTURING INNOVATION

Annual Report 2018

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CORPORATE PROFILE

BoardRoom is Asia-Pacific's leader in Corporate and Advisory Services, including Employee Plan Services, Regional Payroll Solutions, Corporate Secretarial, Share Registry Services, Accounting, Taxation, and Human Resources.

We are the partner of choice for many Fortune 500 multinational companies, publicly listed and privately owned enterprises.

We care for your success. Our associates serve as your partners, acting for you.

BoardRoom has excelled in markets across Asia-Pacific, supporting companies over decades, from start-ups to giants, in navigating through complex regulatory policies and cultural sensitivities.

We bring the market to you. In fact, the market is right at our doorstep, with the critical connections and expertise we have on hand. BoardRoom possesses an indelible footprint in Asia-Pacific with offices in Singapore, Australia, China, Hong Kong, and Malaysia, as well as an extensive global partner network to help your business realise its maximum potential.

Let us be your partner of choice!

FINANCIAL HIGHLIGHTS

INCOME STATEMENT

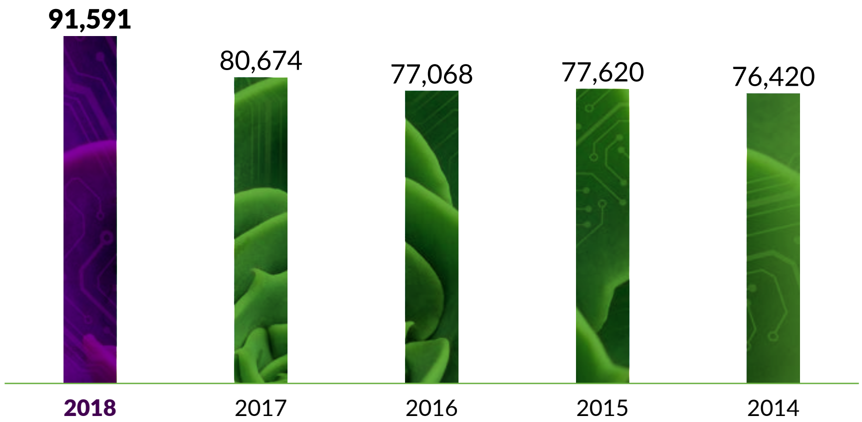
($'000)	2018	2017	2016	2015	2014*	2014
Year Ended Period	**31 December 12-month**	31 December 12-month	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month
Revenue (SFRS(I) restated)	**91,591**	80,674	77,068	77,620	76,420	112,714
EBITDA	**14,036**	15,197	11,665	13,033	14,406	21,526
Profit Before Tax	**9,256**	12,305	8,989	9,243	10,826	16,280
Profit After Tax	**6,950**	10,573	7,246	6,722	9,174	13,117

REVENUE
($'000)

$91,591

Increase by

13.5%

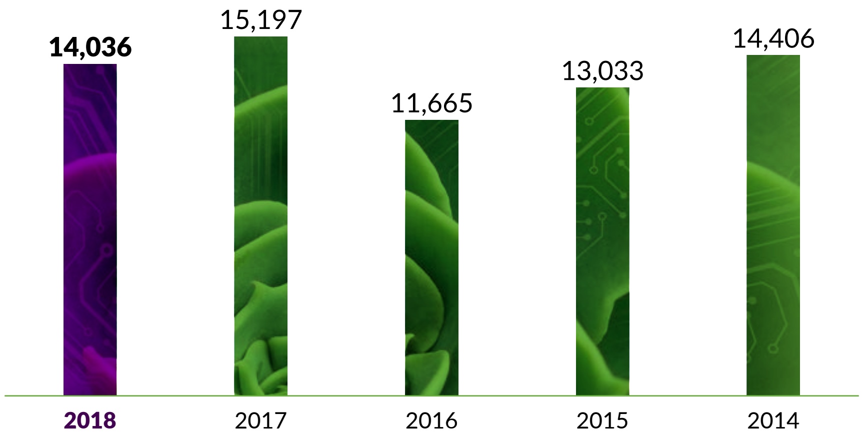


EBITDA
($'000)

$14,036

Decrease by

7.6%

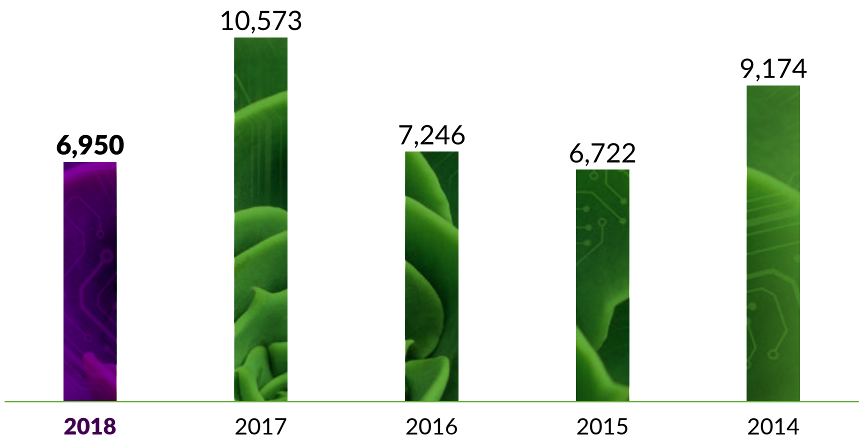


PROFIT AFTER TAX
($'000)

$6,950

Decrease by

34.3%



* Unaudited 12-month results presented for comparison purposes

FINANCIAL HIGHLIGHTS (continued)

FINANCIAL POSITION

($'000)	2018	2017	2016	2015	2014*	2014
Year Ended Period	**31 December 12-month**	31 December 12-month	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month
Total Assets	**177,154**	115,640	108,726	107,761	105,881	105,881
Total Liabilities	**81,848**	33,557	31,501	34,786	36,036	36,036
Total Shareholders' Equity	**95,306**	82,083	77,225	72,975	69,845	69,845
Net Current Assets	**14,987**	21,955	19,741	18,182	14,486	14,486

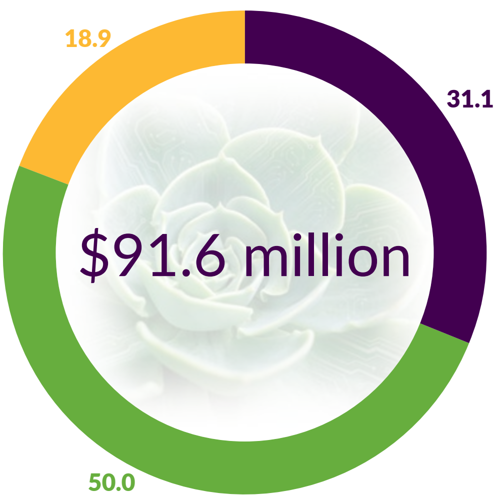
KEY FINANCIAL RATIOS

	2018	2017	2016	2015	2014*	2014
Year Ended Period	**31 December 12-month**	31 December 12-month	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month
Weighted Average Earnings Per Share (cents)	**3.49**	5.46	3.74	3.47	4.90	7.01
Return on Equity (%)	**7.29**	12.88	9.38	9.20	13.10	18.80
Net Asset Value (cents)	**45.46**	42.39	39.88	37.68	36.07	36.07
Current Ratio (times)	**1.41**	2.04	2.11	1.97	1.82	1.82
Debt-to-Equity (times)	**0.51**	0.10	0.13	0.16	0.19	0.19

SEGMENTAL RESULTS

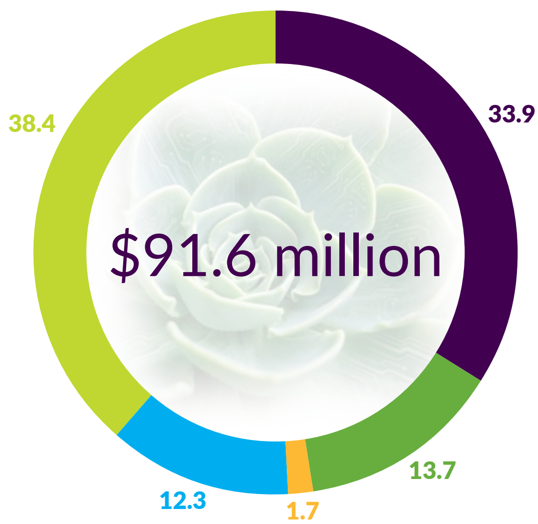
For the year ended 31 December 2018

Revenue by Business Division (%)



- Corporate Secretarial Services
- Share Registry Services
- Accounting, Taxation, and Payroll Services

Revenue by Region (%)



- Singapore
- Malaysia
- China
- Hong Kong
- Australia

* Unaudited 12-month results presented for comparison purposes

CHAIRMAN'S MESSAGE

The financial year ended 31 December 2018 ("FY18") was another year of steady growth and corporate expansion for Boardroom Limited and its subsidiaries (the "Group"). In spite of geopolitical and trade tensions, the Group demonstrated its resilience by achieving double-digit revenue growth.

All our business units and geographic markets achieved healthy year-on-year growth in a more challenging operating environment as compared to FY17. Our focus on productivity improvement, service innovation and people development has enabled us to take advantage of our market presence in the region. Wider adoption of technology and integration of our regional offices has helped the Group to enhance greater value creation in our businesses.

THE SHAPE OF OUR BUSINESS

Group revenue for FY18 increased by 13.5% to $91.6 million, as compared to $80.7 million in the previous year. On a constant currency basis, the increase was 15.5%. The Group was able to make further inroads into the regional financial markets, especially in Hong Kong. We gained market share in the share registry and listing-related service business on the back of a surging Hong Kong Initial Public Offering ("IPO") market. Our acquisitions in Australia and Malaysia have proven to be highly strategic, enabling the Group to expand its customer base and increase the volume of its share registry, corporate secretarial and other business services for listed and non-listed companies.

We continue to improve efficiency with further streamlining of our processes and tighter integration of our regional operations. Technology-enabled innovations have enhanced our competitiveness and enabled us to offer more effective value-added services to clients. These efforts have been reflected in greater customer satisfaction and retention.

The Group has delivered a steady set of financial performance in 2018. Our financial results for the year were weighed down by two factors: a change in accounting treatment described below, and a number of additional costs associated with both the Australian and Malaysian acquisitions. These include transaction and post-integration expenses, and increased interest expenses relating to debt taken out to partially fund the acquisitions. The adoption of a new accounting standard Singapore Financial Reporting Standards (International) ("SFRS(I)") 9, resulted in a charge of $2.1 million for unrealised currency loss arising from the revaluation of AUD denominated redeemable preference shares ("RPS") in our Australian subsidiary. These RPS, which were previously treated as equity investment, are now being fair-valued as debt investment under the new accounting standard.

Excluding this accounting charge and the non-recurring acquisition associated costs, the recurring earnings before interest, taxes, depreciation and amortisation ("EBITDA") would have increased by 12.6% to $17.1 million (FY17: $15.2 million). Correspondingly, the recurring net profit after tax ("NPAT") registered a small reduction to $10.0 million (FY17: $10.6 million) largely on the back of higher interest costs.

	Audited 2018 Revenue ($'m)	Revenue (%)	2018 Revenue in Constant Currency ($'m)	YOY Change in Constant Currency (%)
By Region				
Singapore	31.0	33.9	31.0	3.7
Australia	35.2	38.4	37.0	11.9
Malaysia	12.5	13.7	12.0	68.6
Hong Kong	11.3	12.3	11.6	29.7
China	1.6	1.7	1.6	(1.6)
Total Group	**91.6**	**100.0**	**93.2**	**15.5**
By Business Division				
Share Registry Services	45.8	50.0	47.3	10.3
Corporate Secretarial Services	28.5	31.1	28.6	26.0
Accounting, Taxation, and Payroll Services	17.3	18.9	17.3	14.6

DIVIDEND

The Board has recommended a first and final one-tier tax exempt cash dividend of 2.0 cents per ordinary share (FY17: 2.5 cents per ordinary share), subject to approval of shareholders at the Annual General Meeting.

Total proposed cash dividend pay-out for FY18 is approximately $4.2 million, representing a healthy dividend pay-out ratio of 60.3% on NPAT.

MAJOR CORPORATE DEVELOPMENT

On 28 August 2018, the Board announced the completion of the acquisition of Symphony Corporatehouse Sdn Bhd and its subsidiary Sky Corporate Services Sdn Bhd, Symphony Share Registrars Sdn Bhd and Malaysian Issuing House Sdn Bhd ("the Symphony companies") for an aggregate consideration of RM160.7 million (approximately $53.6 million). The acquisition has enabled the Group to significantly increase our footprint and position the merged business as the leading provider of corporate secretarial, share registry and other business services in Malaysia.

I would like to specially acknowledge Tan Sri Mohamed Azman Bin Yahya and Dato' Abdul Hamid bin Sheikh Mohamed of Symphony House Sdn. Bhd. for the trust they placed in us, not just in agreeing to merge their Malaysian operations with ours but also to be part owners of Boardroom Limited.

I warmly welcome them as fellow shareholders, and the Symphony companies' employees joining the BoardRoom family.

CULTIVATING GROWTH, NURTURING INNOVATION

Cultivating a plant requires focus, discipline and constant nurturing over a sustained period before it bears fruits. Over the years, we have cultivated a resilient business model with multiple revenue streams from diversified business services and vibrant markets in five countries. Our competency and expertise are deeply rooted. We are branching out across the region, establishing an extensive regional presence and network of offices. BoardRoom has become a Singapore-based multinational provider of corporate business services in the Asia Pacific region.

A hallmark of BoardRoom's value proposition is its ability to adapt and grow. Technology is rapidly changing the way businesses operate. As we operate in a region of diverse regulatory regimes, we are leveraging more and more on technology to better meet our clients' needs in the digital world. Our e-suite of solutions such as Employee Share Plan and e-polling solutions have received an encouraging response from an increasing number of clients in the region. Going forward we will continue to roll out more technology-enabled solutions to sharpen our competitive edge and enhance our ability to meet our clients' complex needs in the region.

SUSTAINABILITY

In line with requirements by the Singapore Exchange ("SGX"), the Group published its first Sustainability Report in December 2018. The report is produced in compliance with SGX's sustainability reporting guidelines and adheres to disclosure and reporting principles under the Global Reporting Initiative. It provides information on key sustainability issues that are important to our business and stakeholders, our approach to managing these issues, our current performance and future plans.

We are committed to long-term sustainable growth, delivering stable value to stakeholders as well as being a responsible corporate citizen, contributing to the communities where we operate.

OUTLOOK

The global economic outlook for 2019 is clouded by trade and geopolitical tensions, and the Asian Development Bank has forecasted slower growth for the region. We expect business prospects to be less optimistic this year. The trade conflict between the US and China is causing heightened uncertainty to the global economy. According to the International Monetary Fund, a range of triggers beyond trade tensions could spark a further deterioration in risk sentiment. These include tightening financial conditions, China's slowdown, geopolitical tensions and high public and private debts which were flagged in last year's annual report.

While almost all economic indicators point to a global slowdown, there is no consensus on whether the slowdown is temporary or long term. With this prolonged uncertainty, we have to be vigilant and resilient to weather the increased risks and volatility in the operating environment.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to thank our partners, associates and clients for their support and co-operation.

I would like to express my appreciation to my fellow Directors for their wise counsel, advice and guidance during the year.

I would like to express our gratitude to shareholders for their support and confidence over the years as we strive to nurture and grow BoardRoom into the region's leading corporate business service provider.

Last but not least, I would like to thank the Management Team and staff for their dedication and hard work.

Mr Goh Geok Khim
Chairman

"We achieved synchronised growth across business divisions and regional offices. Group revenue has broken a new record. The positive results are the outcomes of our efforts over the years to build on business fundamentals, strengthen resilience and drive service through innovation and technology."

FY18 was a steady year for the Boardroom Group with double digit revenue growth and significant corporate expansion across the region. The year started with the acquisition of Corporate Counsel Pty Limited, a provider of corporate secretarial services, by our Australian subsidiary. We then continued our expansion with the merger between BoardRoom Malaysia and the Symphony companies. This focus on corporate expansion has delivered on our promise of increased productivity through driving innovation and technology whilst significantly increasing our regional footprint.

Financially, BoardRoom performed reliably in 2018. We set a record for revenue, reaching $91.6 million, a 13.5% increase year-on-year, on a constant currency basis the increase was 15.5%. Our financial results for the year were weighed down by the two factors highlighted in our Chairman's message.

SHARE REGISTRY SERVICES

The Share Registry Services division made further inroads in our key markets, namely Hong Kong, Australia and Malaysia. The division remains the largest revenue contributor in the Group, generating $45.8 million in FY18, an increase of 6.7%, compared to $42.9 million in the previous year.

The Group maintained its position as the largest provider of share registry services in Singapore. In FY18, The Group was able to secure the listing services of 47% of the IPOs launched during the year. The take-up rate for our Employee Share Plan Services which was launched in FY17 continued to be encouraging.

After many years of sowing seeds and nurturing growth, our Hong Kong office was able to capitalise on opportunities in the booming IPO market, which in 2018 was the world's biggest in terms of funds raised. We were able to secure the share registry business of approximately 10% of the companies listed on The Stock Exchange of Hong Kong Limited ("HKEX") during the year. Our team was also able to process one of the most successful IPOs in Hong Kong's history. The Group currently provides share registry services to over 80 companies listed on the HKEX.

In Australia, the Group continued to enjoy success in its share registry business, acquiring new clients and broadening our service offerings. In FY18, we welcomed several new clients including an ASX10 company, the Macquarie Group, and the Centuria Property Group.

In Malaysia, the acquisition of the Symphony companies has enlarged our client base, enhancing our revenue streams and opening up more opportunities for business expansion. Additionally, the demand for our e-polling services which were introduced in FY17 continued to be robust, driving volume and revenue of our share registry business. An increasing number of listed companies are adopting best practices such as e-polling for their shareholder meetings to enhance efficiency and transparency.

CORPORATE SECRETARIAL SERVICES

The Corporate Secretarial Services division continued to maintain its position as the best performer in the Group in FY18. The unit posted turnover of $28.5 million, an increase of 25.5% compared to $22.7 million in FY17. It is the second biggest revenue contributor accounting for 31.1% of BoardRoom's total revenue.

We continued to tap into opportunities to cross sell our services to a large base of corporate customers that are looking to outsource their non-core business functions.

In Australia, Boardroom Pty Limited continued to reap synergistic benefits from our acquisition of Boardworx Pty Limited and Corporate Counsel Pty Limited as integration of the two entities into the Group progressed steadily. In addition, we were able to deepen our relationship with clients and increase client acquisition effectiveness by enhancing our service offerings with innovative and more value-added services. The combination of acquisitive and organic growth has further enhanced our position as the leading provider of corporate secretarial services across Australia.

The Group's Corporate Secretarial Services business in Malaysia achieved healthy growth in FY18. The acquisition of the Symphony companies has significantly expanded our customer base, enhancing our revenue stream as well as providing opportunities for us to offer a more comprehensive range of corporate secretarial services. We are now increasingly able to leverage our expertise and regional network to support Malaysian companies to expand regionally, adding value to our clients.

Boardroom Corporate Services (HK) was able to reach out to a growing base of listed companies in Hong Kong, tapping opportunities to meet their increasing demand for corporate secretarial services. We are confident about our growth prospects in Hong Kong as we streamline our operations, harness synergies from our diverse services and enhance our customer relations management capability.

In China, we are making steady progress. We have streamlined our operations, consolidating our Suzhou office with our Shanghai operations, driving efficiency and better cost management. With our strong presence in the region, the Group is well positioned to support international companies operating in China with our expertise and knowledge to provide cross-border business solutions that are in compliance with the diverse tax and other business regulations.

ACCOUNTING, TAXATION, AND PAYROLL SERVICES

The Accounting, Taxation and Payroll Services division grew 14.8% to reach $17.3 million in FY18. The division's growth was in tandem with the growth of the other business divisions, underpinned by a bigger customer base resulting from acquisitions in Malaysia and Australia. This small division is making significant strides with its expertise and in-depth knowledge of diverse taxation regulatory regimes, as well as business practices in Asia-Pacific. As a result, we've been able to capitalise on opportunities to meet the demand for international companies operating or establishing operations in the Asia-Pacific region.

In Malaysia, the acquisition of the Symphony companies contributed to our robust growth. In addition, the Group was able to support the Companies Commission of Malaysia in rolling out the new Malaysian Business Reporting Standards by holding training sessions and workshops as well as developing manuals, to help clients develop awareness of these standards.

SUMMARY

Overall, the Group has performed satisfactorily in FY18. We achieved synchronised growth across business divisions and regional offices. Group revenue has broken a new record. The positive results are the outcomes of our efforts over the years to build on business fundamentals, strengthen resilience and drive service through innovation and technology. We remain focused on smart business solutions, which enhance sustainable client deliverables.

In spite of the ongoing trade and geopolitical tensions, we continue to seek out opportunities in the region. The demand for listing-related, corporate and business services is anticipated to continue. With a well-integrated regional network, deep knowledge of the geographic and cultural diversity, and strong brand recognition, BoardRoom is poised to capitalise on these opportunities.

GOH GEOK KHIM 86 |

Non-Executive and Non-Independent Chairman

Date of appointment:
18 November 2004

Date of last re-appointment:
22 April 2016

Country of principal residence:
Singapore

The Board's comments on this appointment:
The re-election of Mr Goh Geok Khim as Non-Executive and Non-Independent Chairman of the Board at the AGM 2019 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Goh's contributions, qualifications, expertise and past experiences.

Whether appointment is executive, and if so, the area of responsibility:
Not applicable

Job title:
- Non-Executive Chairman
- Non-Independent Director
- Member of Nominating Committee

Professional qualifications:
Bachelor of Science degree in Civil Engineering, University of Colorado

Working experience and occupation(s) during the past 10 years:
Mr Goh is the Executive Chairman of G. K. Goh Holdings Limited, the holding company of the Company.

Shareholding interest in the listed issuer and its subsidiaries:
Mr Goh has a deemed interest in 169,235,375 ordinary shares in the Company.

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or any of its principal subsidiaries:
Mr Goh is the father of Mr Goh Yew Lin, who is his Alternate Director.

Conflict of interest (including any competing business):
None

Principal Commitments including Directorships:
Past (for the last 5 years)
Non-Listed company
Orange Valley Healthcare Pte Ltd (now known as Invest Healthcare Pte Ltd)

Present
Listed company
- G. K. Goh Holdings Limited
- Japfa Ltd.

Non-Listed company
- Direct subsidiaries of the G. K. Goh Group
- Alpha Securities Private Limited
- Yew Lian Property and Investments Pte. Ltd.
- GKG Investment Holdings Pte. Ltd.
- Fushia Investments Pte. Ltd.
- Temasek Foundation International CLG Limited
- Medlar Pte. Ltd.
- Federal Iron Works Sdn. Bhd.

Principal Commitments excluding Directorships:
Past (for the last 5 years)
None

Present
Non-Listed company
Chairman of Temasek Foundation International CLG Limited

KIM TEO POH JIN 60 |

Executive Director and Group Chief Executive Officer
Chief Executive Officer, Hong Kong

Date of appointment:
5 August 2009

Date of last re-appointment:
Not applicable

Country of principal residence:
Singapore

The Board's comments on this appointment:
Not applicable as Mr Teo is not subjected to re-election at the AGM 2019.

Whether appointment is executive, and if so, the area of responsibility:
Mr Teo is responsible for the overall management and strategic direction of the Group.

Job title:
- Executive Director
- Group Chief Executive Officer

Professional qualifications:
Bachelor of Arts (Hons) in Economics, Heriot-Watt University of Edinburgh

Working experience and occupation(s) during the past 10 years:
Mr Teo is the Group Chief Executive Officer and an Executive Director of the Company, and Chief Executive Officer of BoardRoom Hong Kong.

Prior to joining the Company in 2009, Mr Teo was an Executive Director and Regional Head of Retail Equities of CIMB-GK Securities Ltd. He was a member of the Investment Committee of CIMB Wealth Advisors Berhad from 2007 to 2013.

Mr Teo has been the Chairman of the Investment Committee of CIMB-Principal Asset Management Berhad and CIMB-Principal Islamic Asset Management Sdn. Bhd. since 2007 and 2015 respectively.

Shareholding interest in the listed issuer and its subsidiaries:
None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or any of its principal subsidiaries:
None

Conflict of interest (including any competing business):
None

Principal Commitments including Directorships:
Past (for the last 5 years)
Non-Listed Company
Direct and Indirect subsidiaries of the Boardroom Group

Present
Non-Listed Company
- Direct and Indirect subsidiaries of the Boardroom Group
- United World College of South East Asia
- The UWCSEA Foundation Limited
- United World College of South East Asia - East
- Livet Company (Private) Limited
- Marina Yacht Services Pte. Ltd.

Principal Commitments excluding Directorships:
Past (for the last 5 years)
- Member of National Crime Prevention Council
- Co-Chairman of Current Crime Sub-Committee of National Crime Prevention Council

Present
Listed Company
Group Chief Executive Officer of Boardroom Limited

Non-Listed Company
- Chairman of Investment Committee of CIMB-Principal Asset Management Berhad
- Chairman of Investment Committee of CIMB-Principal Islamic Asset Management Sdn. Bhd.
- Member of Investment Committee of National Kidney Foundation
- Member Resource Panel of National Crime Prevention Council
- Member and Governor of United World College of South East Asia
- Trustee of The UWCSEA Foundation Limited

MAK LYE MUN 61 |

Non-Executive and Independent Director

Date of appointment:
18 November 2004

Date of last re-appointment:
20 April 2018

Country of principal residence:
Singapore

The Board's comments on this appointment:
Not applicable as Mr Mak is not subjected to re-election at the AGM 2019.

Whether appointment is executive, and if so, the area of responsibility:
Not applicable

Job title:
- Chairman of Nominating Committee
- Chairman of Remuneration Committee

Professional qualifications:
- Bachelor of Civil Engineering (First Class Honours) degree, University of Malaya
- Master of Business Administration degree, University of Texas
- Chartered Financial Analyst

Working experience and occupation(s) during the past 10 years:
Mr Mak is the Country Head and CEO of CIMB Group, Singapore. His portfolio was further expanded to include the oversight of the CIMB Group's Wholesale Banking business from 2016 to 2018. He was appointed as a Director of CGS-CIMB Securities International Pte Ltd and Jupiter Securities Sdn Bhd in January 2018 and September 2018 respectively.

Shareholding interest in the listed issuer and its subsidiaries:
None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or any of its principal subsidiaries:
None

Conflict of interest (including any competing business):
None

Principal Commitments including Directorships:
Past (for the last 5 years)
Listed company
Tat Hong Holdings Ltd

Non-Listed company
- CGS-CIMB Securities (Singapore) Pte. Ltd.
- CGS-CIMB Securities International Pte. Ltd.
- Jupiter Securities Sdn Bhd

Present
None

Principal Commitments excluding Directorships:
Past (for the last 5 years)
Listed company
CEO of CIMB Group, Group Wholesale Banking

Present
Listed company
Country Head and CEO of CIMB Group, Singapore

SPENCER LEE TIEN CHYE 67 |

Non-Executive and Independent Director

Date of appointment:
27 October 2011

Date of last re-appointment:
20 April 2018

Country of principal residence:
Singapore

The Board's comments on this appointment:
Not applicable as Mr Lee is not subjected to re-election at the AGM 2019.

Whether appointment is executive, and if so, the area of responsibility:
Not applicable

Job title:
- Lead Independent Director
- Chairman of Audit Committee
- Member of Nominating Committee

Professional qualifications:
- Fellow Member of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Working experience and occupation(s) during the past 10 years:
Mr Lee served the Maybank Group for more than 30 years in various executive capacities, including Head of International Business, Head of Consumer Banking, and Country Head for Maybank Singapore before retiring as Advisor to the Maybank Group in November 2008. He subsequently served as a Board member of Maybank and resigned in November 2009. He was previously also a Director of Tasek Corporation Berhad.

He stepped down as a trustee of Maybank Foundation in 2017 and resigned as a commissioner of PT Bank Maybank Indonesia Tbk in 2018.

Shareholding interest in the listed issuer and its subsidiaries:
None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or any of its principal subsidiaries:
None

Conflict of interest (including any competing business):
None

Principal Commitments including Directorships:
Past (for the last 5 years)
None

Present
Non-Listed company
- Maybank Singapore Limited
- Maybank Cambodia PLC

Principal Commitments excluding Directorships:
Past (for the last 5 years)
Non-Listed company
- Commissioner of PT Bank Maybank Indonesia Tbk
- Trustee of Maybank Foundation

Present
None

CHRISTOPHER COLIN GRUBB 72 |

Non-Executive and Independent Director

Date of appointment:
13 August 2013

Date of last re-appointment:
17 April 2017

Country of principal residence:
Australia

The Board's comments on this appointment:
Not applicable as Mr Grubb is not subjected to re-election at the AGM 2019.

Whether appointment is executive, and if so, the area of responsibility:
Not applicable

Job title:
- Member of Audit Committee
- Member of Remuneration Committee

Professional qualifications:
Bachelor of Economics degree and Bachelor of Arts (Psychology) degree, University of Cape Town

Working experience and occupation(s) during the past 10 years:
Mr Grubb currently provides consulting and advisory services, primarily in the area of asset allocation and business planning to investment management and financial service companies in Australia. He has over 40 years of experience in investment management and investment banking in Singapore, Hong Kong, Japan, and Australia.

He was previously Chairman of Investorweb Limited, Investors Mutual Limited, So Natural Foods Limited, and a Director of Odyssey House McGrath Foundation and Instinet Australia.

Shareholding interest in the listed issuer and its subsidiaries:
None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or any of its principal subsidiaries:
None

Conflict of interest (including any competing business):
None

Principal Commitments including Directorships:
Past (for the last 5 years)
Non-Listed company
Coupland Cardiff Asia Absolute Return Fund

Present
Non-Listed company
- Boardroom Holdings Australia Pty Ltd
- Coupland Cardiff Management
- Coupland Cardiff Management (Singapore) Pte. Ltd.
- LIM Asia Multi Strategy Fund
- LIM Japan Fund

Principal Commitments excluding Directorships:
Past (for the last 5 years)
None

Present
Non-Listed company
President of Bush Heritage Australia

THOMAS TEO LIANG HUAT 54 |

Non-Executive and Non-Independent Director

Date of appointment:
5 February 2013

Date of last re-appointment:
17 April 2017

Country of principal residence:
Singapore

The Board's comments on this appointment:
The re-election of Mr Teo as Non-Executive and Non-Independent Director at the AGM 2019 was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Teo's contributions, qualifications, expertise and past experiences.

Whether appointment is executive, and if so, the area of responsibility:
Not applicable

Job title:
- Member of Audit Committee
- Member of Remuneration Committee

Professional qualifications:
- Master of Business in Information Technology, Royal Melbourne Institute of Technology
- Bachelor of Accountancy, National University of Singapore
- Fellow Member of the Institute of Singapore Chartered Accountants

Working experience and occupation(s) during the past 10 years:
Mr Teo has been the Chief Financial Officer of G. K. Goh Holdings Limited ("GKGH") since 2006. His executive responsibilities extend to financial and investment management as well as board representation on various subsidiaries and associated companies of the G. K. Goh Group.

Mr Teo has also been appointed as an Executive Director of GKGH since 2018.

Prior to joining the G. K. Goh Group, Mr Teo was with a regional private equity group for 10 years, responsible for direct investments in the ASEAN region. He also spent 8 years with Ernst & Young Singapore, and has had extensive experience in audit and corporate finance.

Shareholding interest in the listed issuer and its subsidiaries:
Mr Teo has a direct interest of 150,000 ordinary shares in the Company.

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or any of its principal subsidiaries:
None

Conflict of interest (including any competing business):
None

Principal Commitments including Directorships:
Past (for the last 5 years)
Non-Listed company
- G. K. Goh Financial Services (S) Pte. Ltd. (now known as Haitong International Financial Services (Singapore) Pte. Ltd.)
- G. K. Goh Capital (S) Pte. Ltd.
- Caritas Singapore Community Council Limited

Present
Listed company
- OM Holdings Limited
- G. K. Goh Holdings Limited

Non-Listed company
- Direct and Indirect subsidiaries and associated companies of the G. K. Goh Group
- Assisi Hospice

Principal Commitments excluding Directorships:
Past (for the last 5 years)
None

Present
Listed company
- Chief Financial Officer of GKGH
- Company Secretary of GKGH

GOH YEW LIN 59 |

Alternate Director to Goh Geok Khim

Date of appointment:
18 November 2004

Date of last re-appointment:
Not applicable

Country of principal residence:
Singapore

The Board's comments on this appointment:
Not applicable as Mr Goh Yew Lin is an Alternate Director.

Whether appointment is executive, and if so, the area of responsibility:
Not applicable

Job title:
Alternate Director to Mr Goh Geok Khim

Professional qualifications:
Bachelor of Science (Economics) degree, University of Pennsylvania's Wharton School

Working experience and occupation(s) during the past 10 years:
Mr Goh Yew Lin is the Managing Director of G. K. Goh Holdings Limited, and serves as a Non-Executive Director on the Board of Temasek Holdings (Private) Limited.

Shareholding interest in the listed issuer and its subsidiaries:
Mr Goh Yew Lin has a deemed interest in 169,235,375 ordinary shares in the Company.

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and / or substantial shareholder of the listed issuer or any of its principal subsidiaries:
Mr Goh Yew Lin is the son of Mr Goh Geok Khim, a Non-Executive and Non-Independent Chairman of the Board.

Conflict of interest (including any competing business):
None

Principal Commitments including Directorships:

Past (for the last 5 years)
Non-Listed Company
G. K. Goh Capital (S) Pte. Ltd.

Present
Listed company
G. K. Goh Holdings Limited

Non-Listed company
- Direct and Indirect subsidiaries and associated companies of the G. K. Goh Group
- Temasek Holdings (Private) Limited
- Singapore Symphonia Company Limited
- GKG Investment Holdings Pte. Ltd.
- Trailblazer Foundation Ltd.
- National University of Singapore
- Seatown Holdings Pte. Ltd.
- Seatown Capital Pte. Ltd.
- Leedon Park Holdings Pte. Ltd.

Principal Commitments excluding Directorships:

Past (for the last 5 years)
Non-Listed company
Chairman of Yong Siew Toh Conservatory of Music

Present
Listed company
Managing Director of G. K. Goh Holdings Limited

Non-Listed company
- Member of CIMB International Advisory Panel
- Deputy Chairman of National Arts Council
- Trustee of National University of Singapore
- Chairman of Investment Committee of National University of Singapore
- Member of Investment Committee of RT Capital Fund I LP
- Chairman of Investment Committee of Trailblazer Foundation Ltd
- Member of Sponsorship Committee of Trailblazer-LHL Fund

The Group had procured the undertaking in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited (the "Listing Manual of the SGX-ST") from all the Directors.

All the Directors had responded negative to items (a) to (k) listed in Appendix 7.4.1 (Announcement of Appointment) of the Listing Manual of the SGX-ST.

KEY MANAGEMENT

ADRIAN KOW TUCK HOONG

Group Chief Financial Officer
Chief Operating Officer, Singapore
Boardroom Limited, Singapore

Mr Adrian Kow joined the Group in August 2015. Prior to joining Boardroom Limited, Mr Kow was the Senior Vice President of Finance & Administration at World Sport Group for 8 years.

Mr Kow has over 25 years of regional work experience in key disciplines including finance, accounting, strategic planning, business development, and corporate finance.

Mr Kow holds a Bachelor of Commerce degree from the University of Melbourne. He is a member of both the Institute of Singapore Chartered Accountants and Certified Practising Accountant Australia. He is also a Chartered Financial Analyst.

RHETT TREGUNNA

Chief Executive Officer, Australia
Boardroom Pty Limited, Australia

Mr Rhett Tregunna joined Boardroom Pty Limited in 2008. Prior to his appointment as CEO, he held the position of General Manager for Operations.

Mr Tregunna has accumulated more than 14 years of experience in senior management roles with Eli Lilly Australia, and Australian Securities Exchange-listed companies such as Arrow Pharmaceuticals and Sigma Pharmaceuticals.

Mr Tregunna has a Bachelor of Science with a Major in Biochemistry from Latrobe University and is a member of the Australian Institute of Company Directors.

VICTOR LAI KUAN LOONG

Regional Managing Director
Boardroom Corporate & Advisory Services Pte. Ltd., Singapore

With over 16 years of corporate advisory and management experience, Mr Victor Lai joined the company in February 2015 and is currently the Regional Managing Director for Boardroom Corporate & Advisory Services Pte. Ltd. Prior to joining BoardRoom, Mr Lai was at PricewaterhouseCoopers.

Mr Lai holds a Bachelor of Accountancy (Honours) from Nanyang Technological University and is also a board member on the Accounting Technician Learning and Development Board for the Institute of Singapore Chartered Accountants.

SAMANTHA TAI YIT CHAN

Chief Executive Officer, Malaysia
Boardroom Corporate Services (KL) Sdn. Bhd., Malaysia

Ms Samantha Tai joined the company in 1995. She is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and has over 20 years of experience in corporate secretarial work.

Ms Tai has provided extensive in-house training for directors of public listed companies and is a regular speaker for seminars organised by MAICSA, Malaysian Institute of Corporate Governance, Federation of Public Listed Companies, Malaysian Institute of Accountants, Malaysian Investor Relations Association ("MIRA"), Securities Industry Development Corporation, Bursa Malaysia, and other professional bodies.

Ms Tai is also a Board member of MIRA and Director for Malaysian Alliance of Corporate Directors.

CHESTER LEONG CHANG HONG

Regional Managing Director
Boardroom Business Solutions Pte. Ltd., Singapore

Head of Operations, China
Boardroom China Limited, China

With more than 15 years of experience as a chartered accountant and accredited tax adviser, Mr Chester Leong joined the company in June 2013 and is currently the Regional Managing Director for Boardroom Business Solutions Pte Ltd.

Before joining Boardroom Business Solutions, Mr Leong had worked in the Inland Revenue Authority of Singapore, Ministry of Finance and Ernst and Young.

Mr Leong holds a Master of Applied Commerce (Accounting), Account and Business Management from the University of Melbourne, and a Bachelor of Business Administration (Honours), Accounting and Finance, from the National University of Singapore.

"We continue to improve efficiency with further streamlining of our processes and tighter integration of our regional operations. Technology-enabled innovations have enhanced our competitiveness and enabled us to offer more effective value-added services to clients."

BOARDROOM OFFICE LISTING

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Boardroom Limited
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KUALA LUMPUR

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Selangor Darul Ehsan, Malaysia

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Boardroom Share Registrars Sdn. Bhd.
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Boardroom Business Solutions Sdn. Bhd.
Malaysian Issuing House Sdn. Bhd.
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Perak, Malaysia

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CHINA

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CHENGDU

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Chengdu, P.R. China

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SHENZHEN

Boardroom China Limited
Room 1321, Floor 13,
SEG Plaza,
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Shenzhen, P.R. China

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AUSTRALIA

SYDNEY

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Boardroom Pty Limited
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BRISBANE

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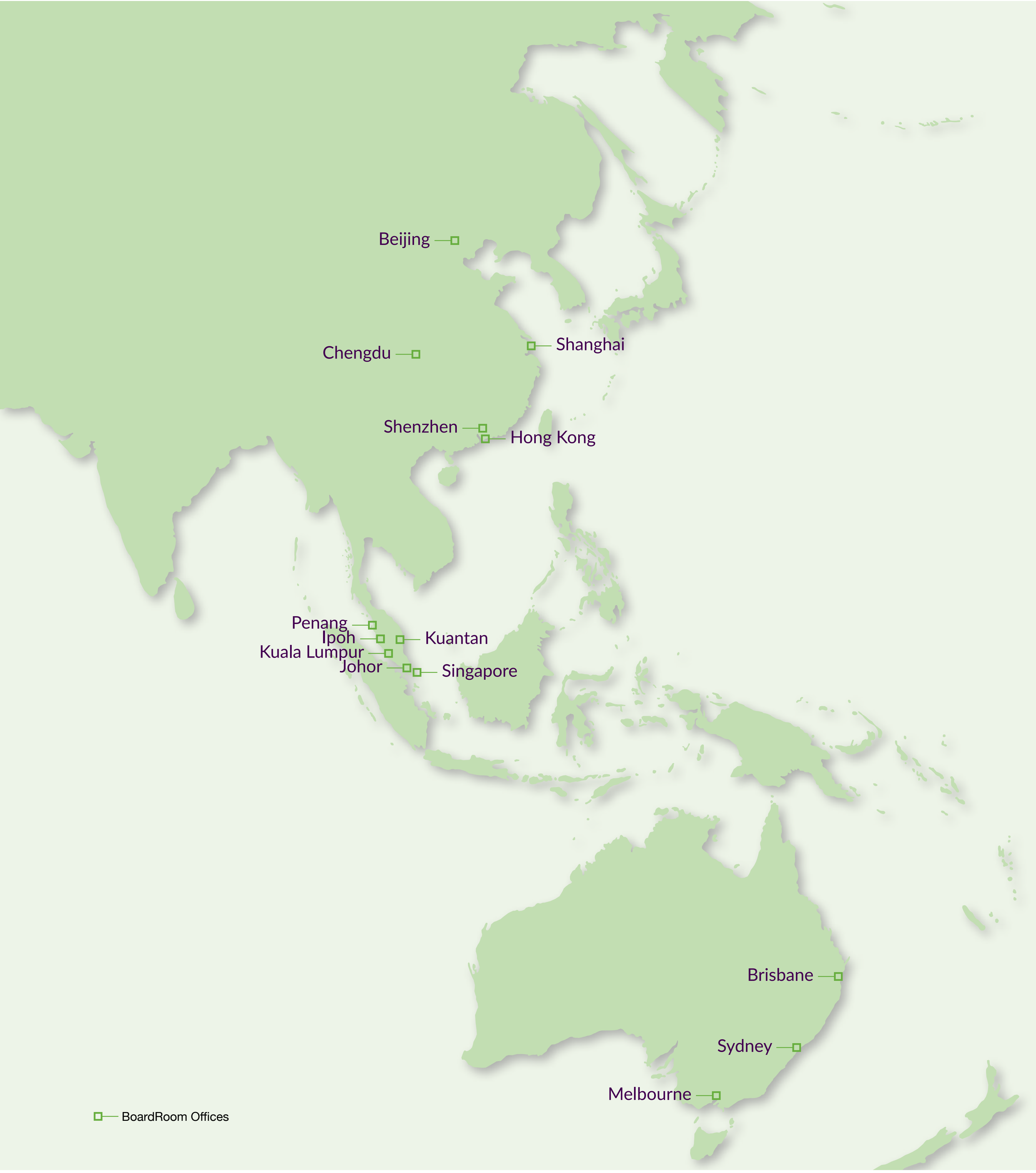
"Over the years, we have cultivated a resilient business model with multiple revenue streams from diversified business services and vibrant markets in five countries. Our competency and expertise are deeply rooted. We are branching out across the region, establishing an extensive regional presence and network of offices."

BOARDROOM'S PARTNER NETWORK

India | Indonesia | Japan | Macau | Myanmar | New Zealand | Philippines | South Korea | Taiwan | Thailand
United Arab Emirates | United Kingdom | United States of America | Vietnam

BOARDROOM OFFICE LISTING (continued)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Goh Geok Khim
Non-Executive and Non-Independent Chairman

Mr Kim Teo Poh Jin
Executive Director and Group Chief Executive Officer

Mr Mak Lye Mun
Non-Executive and Independent Director

Mr Spencer Lee Tien Chye
Non-Executive and Independent Director

Mr Christopher Grubb
Non-Executive and Independent Director

Mr Thomas Teo Liang Huat
Non-Executive and Non-Independent Director

Mr Goh Yew Lin
Alternate Director to Mr Goh Geok Khim

AUDIT COMMITTEE

Mr Spencer Lee Tien Chye *(Chairman)*

Mr Christopher Grubb

Mr Thomas Teo Liang Huat

NOMINATING COMMITTEE

Mr Mak Lye Mun *(Chairman)*

Mr Goh Geok Khim

Mr Spencer Lee Tien Chye

REMUNERATION COMMITTEE

Mr Mak Lye Mun *(Chairman)*

Mr Christopher Grubb

Mr Thomas Teo Liang Huat

COMPANY SECRETARY

Ms Ngiam May Ling

REGISTERED OFFICE

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Singapore Land Tower
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SHARE REGISTRAR

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Fax: +65-6536 1360

AUDITOR

Ernst & Young LLP
One Raffles Quay
Level 18 North Tower
Singapore 048583

AUDIT PARTNER-IN-CHARGE

Mr Alvin Phua Chun Yen
(Since financial year ended 31 December 2015)

CORPORATE GOVERNANCE

Boardroom Limited (the "Company") is committed to achieving and maintaining high standards of corporate governance so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices which are in line with the principles and guidelines set out in the Code of Corporate Governance 2012 (the "Code") for the financial year ended 31 December 2018 ("FY18") and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual of the SGX-ST").

The Company has complied substantially with the principles and guidelines of the Code. Where there are deviations from the recommendations of the Code, reasons and explanations in relation to the Company's practices are provided, where appropriate. The Company has also complied with the Listing Manual of the SGX-ST, where applicable.

BOARD MATTERS

Board's Conduct of Its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is collectively accountable to shareholders and responsible for the long-term success of the Company. The Board's principal duties include:

(a) setting the overall business direction, providing guidance on the Company's strategic plans, with particular attention paid to growth and financial performance;

(b) approving adequacy of internal controls, risk management, financial reporting and compliance matters;

(c) reviewing the performance of senior management and overseeing succession planning for senior management;

(d) setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders are understood and met;

(e) identifying key shareholder groups and recognising that their perceptions affect the Company's reputation;

(f) considering sustainability issues such as environmental and social factors as part of its strategic formulation; and

(g) assuming responsibility for corporate governance.

The Board also oversees and provides guidance to Management. The Board delegates the formulation of business policies and day-to-day management to the Group Chief Executive Officer (the "Group CEO").

To assist the Board in the execution of its duties, the Board has delegated specific functions to the Audit Committee (the "AC"), the Nominating Committee (the "NC"), and the Remuneration Committee (the "RC"). Each of these committees operates within written terms of reference approved by the Board.

The Board's approval is specifically required for major investments or acquisition proposals and the Board also reviews the Group's annual budget. The Group has internal guidelines for matters that require the Board's approval. Matters that are specifically reserved for the Board's decision and approval include:

(a) corporate strategies and financial restructuring;

(b) annual budget, funding, and investment proposals;

(c) the release of financial results announcements;

(d) annual report and accounts;

(e) share issuances and dividend payment to shareholders;

(f) interested person transactions;

(g) matters involving conflict of interest for a substantial shareholder or a Director; and

(h) transactions that are material in nature, price-sensitive and requiring announcement under the Listing Manual of the SGX-ST.

The Board meets at least once every quarter. Additional meetings are scheduled if there are matters requiring the Board's decision. Attendance at Board meetings by way of telephone and video conference calls are allowed under the Constitution of the Company.

If a Director were unable to attend a Board or Board Committee meeting, he would still receive all the papers and materials tabled for discussion at that meeting. He would review them and advise the Chairman of the Board or the Chairmen of the respective Board Committees of his views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting.

The number of meetings held and attended by each member of the Board and the Board Committees during FY18 are as follows:

Type of Meetings	Board	AC	NC	RC
No. of Meetings Held	5	4	1	1
Name of Directors	**No. of Meetings Attended**			
Goh Geok Khim (Alternate – Goh Yew Lin)	5	na	1	na
Kim Teo Poh Jin	5	na	na	na
Mak Lye Mun	5	na	1	1
Spencer Lee Tien Chye	5	4	1	na
Thomas Teo Liang Huat	5	4	na	1
Christopher Grubb	5	4	na	1

na = not applicable

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

A newly-appointed Director will receive a letter of appointment explaining his duties and obligations as a member of the Board and other correspondences such as the Constitution of the Company and the terms of reference of each Board Committees. The newly appointed Directors will be given a comprehensive induction, including a briefing by Management on the business operations and strategic plans of the Group to enable the Directors to discharge their duties effectively. The Directors are encouraged to attend training programmes, seminars and workshops organised by professional bodies and organisations, as and when necessary, to keep apprised of relevant new laws, regulations, and changing commercial risks. The Company will, if necessary, organise briefing sessions and/or training for, or circulate memoranda to the Directors to enable them to keep pace with regulatory changes, where such changes have a material bearing on the Group. The Company arranges and funds the training of Directors. The Directors were also briefed on developments in accounting by the Group Chief Financial Officer (the "Group CFO") and external auditors, on developments in corporate governance standards by the Company Secretary, and on developments in business and strategy by the Group CEO.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

There are three Independent and Non-Executive Directors, two Non-Independent and Non-Executive Directors, one Executive Director and one Alternate Director to the Chairman.

As recommended by the Code, as the Chairman is not an independent director, the Independent Directors make up at least half of the Board. The Independent Directors are able to exercise independent judgement in the best interests of the Company and the Group, and this enables Management to benefit from their external and objective perspectives of issues that are brought before the Board. A Director who has an interest that may conflict with a subject matter under discussion by the Board would declare his interest and abstain from the discussion and the decision-making process. No individual or small group of individuals dominates the Board's decision-making.

The Non-Executive Directors constructively challenge and participate in setting strategies and goals for the Company and review as well as monitor Management performance in the implementation of the agreed strategies and goals. Where necessary, the Non-Executive Directors will have meetings amongst themselves without the presence of Management.

The Independent Directors comprise seasoned professionals with a diversity of expertise and skills, including strategic planning, management, financial and accounting experience. Each Director has been appointed based on his professional experience and potential to contribute to the proper guidance of the Company. The profiles of the Directors are on pages 8 to 14 of the Annual Report.

The independence of each Director is reviewed by the NC annually. The NC has adopted the definition in the Code and Listing Manual of the SGX-ST of what constitutes an independent director in its review of the independence of each Director. Rigorous review is recommended by the Code when assessing the continued independence of a Director who has served for more than nine years from the date of first appointment. In assessing the independence of the Directors, the NC is satisfied that there are no relationships identified by the Code which would deem any of them not to be independent. The Board does not impose any limit on the length of service of Independent Directors. The Board recognises the valuable contribution of its Independent Directors, who over time, have developed institutional knowledge of the Group's business and operations.

In this regard, Mak Lye Mun, who has served on the Board for more than nine years from the date of his first appointment, continues to express his individual viewpoint and objectively challenges Management. The NC has reviewed his ability to exercise independent judgement and views that he is independent in approach, character and judgement and acts in the best interest of the Company. Therefore, the Board is of the view that Mak Lye Mun remains independent, notwithstanding that he has served on the Board beyond nine years.

The Board, through the NC, reviews the size and composition of the Board, including the director nominees, to ensure that the size of the Board is conducive to effective discussion and decision-making and that there is an appropriate balance of skills and experience. In this respect, the NC recognises the merits of gender diversity in relation to the composition of the Board and, in identifying suitable candidates for new appointment to the Board, would ensure that female candidates are included for consideration. Having said that, gender is but one aspect of diversity and new directors will continue to be selected based on objective criteria set as part of the process of appointment of new directors and Board succession planning. The Board is of the opinion that given the scope and nature of the Group's operations, the present size of the Board is appropriate.

Chairman and Group CEO

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear separation of the roles and responsibilities of the Chairman and the Group CEO to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the Group CEO are not related to each other.

Goh Geok Khim, the Chairman, leads the Board to ensure effectiveness of all aspects of its role. Board meetings are held when necessary. The Chairman sets the meeting agenda and ensures that the Directors are provided with complete, adequate and timely information. The Chairman ensures that discussions and deliberations are effective and promote a culture of openness and debate at Board meetings. He encourages constructive relations within the Board and between the Board and Management. He also facilitates the effective contribution of the Non-Executive Directors and promotes high standards of corporate governance.

Kim Teo Poh Jin, the Group CEO, is responsible for the day-to-day management affairs of the Group. He also executes the strategic plans set out by the Board and ensures that the Directors are regularly kept updated and informed of the Group's business. His performance and remuneration package are reviewed by the NC and RC respectively. The majority of the members of the RC and NC are independent directors. Therefore, the Board believes that there are adequate safeguards for checks which ensure a balance of power and authority such that no one individual represents a considerable concentration of power.

Spencer Lee Tien Chye is the Lead Independent Director who leads and coordinates the activities of the Non-Executive Directors, and acts as principal liaison on Board issues between the Independent Directors and the Chairman. Where appropriate, the Lead Independent Director meets periodically with the other Independent Directors and provides feedback to the Chairman. The Lead Independent Director is available to shareholders if they have any concerns the Chairman or the Group CEO has failed to resolve, or where such contact is inappropriate.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises Mak Lye Mun, Goh Geok Khim, and Spencer Lee Tien Chye. The Chairman of the NC is Mak Lye Mun who is an Independent Director. The majority of the members of the NC are independent directors.

The key terms of reference for the NC include:

(a) evaluating and reviewing nominations for appointment and re-appointment to the Board and the Board Committees;

(b) reviewing the succession plans for the Directors as well as the Chairman and the Group CEO;

(c) developing a process for evaluating the performance of the Board and the Board Committees;

(d) assessing the effectiveness of the Board and the Board Committees;

(e) reviewing the training and professional development programmes for the Board;

(f) nominating any Director for re-election at the Annual General Meeting ("AGM"), having regard to the Director's contribution and performance; and

(g) determining annually whether or not a Director is independent.

The task of assessing the independence of Independent Directors is delegated to the NC. The NC reviews the independence of each Independent Director annually, and as and when the circumstances require. Annually, each Independent Director is required to complete a Director's Independence Checklist ("Checklist") to confirm his independence. The Checklist is drawn up based on the guidelines provided in the Code. Thereafter, the NC reviews the Checklist completed by each of the Independent Directors, assesses the independence of each of the Independent Directors and recommends its assessment to the Board. The Board, after taking into account the views of the NC, determined that Spencer Lee Tien Chye, Mak Lye Mun, and Christopher Grubb are independent.

The NC reviews and recommends the appointments and re-appointments of all Directors. The NC is responsible for identifying and recommending new Board members to the Board for approval, after considering the necessary and desirable competencies such as their skills, experience, knowledge and diversity of expertise. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. The NC sources through an extensive network of contacts for candidates and will make reference checks, and meet up with the candidates to assess their suitability, and make their recommendation to the Board for approval.

The NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts as it considers necessary to carry out its duties and responsibilities.

The Directors, except for the Group CEO, submit themselves for re-election at least once in every three years and each year, one-third of the Directors retire from office at the Company's AGM. In addition, the Constitution of the Company also provides that a newly-appointed Director must submit himself for re-election at the AGM following the appointment. The Group CEO is not subject to retirement by rotation as our success is dependent on his experience and skills. However, with effect from 1 January 2019, all Directors must submit themselves for re-nomination and re-appointment at least once every three years, including the Group CEO pursuant to Rule 720(5) of the Listing Manual of the SGX-ST. The Group CEO would be required to submit himself for re-appointment to the Board at a general meeting no later than 31 December 2021.

The Board is of the view that setting a maximum number of listed company board representations which a Director may concurrently hold would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they are in full-time employment and their personal commitments or responsibilities.

The NC determines annually whether a Director with other listed company representations and/or other principal commitments is able to and has been adequately carrying out his duties as a director of the Company. The NC takes into account the actual conduct of the Director on the Board in making this determination. In respect of FY18, the NC was of the view that each Director had given sufficient time and attention to the affairs of the Company and had been able to discharge his duties as director effectively. The NC noted that based on the attendance of the Board and Board Committees meetings during FY18, all the Directors were able to participate in all the meetings in order to carry out their duties.

Goh Yew Lin has been appointed Alternate Director to the Chairman since November 2004. He has in-depth knowledge of the affairs of the Group and the necessary qualifications and experience to act as a Director and bears all the duties and responsibilities of a director. Therefore, the Board is of the view that he is fit to act as Alternate Director to the Chairman.

Key information on the Directors can be found on pages 8 to 14 of the Annual Report.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

The performance of the Board is reflected in the performance of the Group. The NC will assess the performance of the Board as a whole and of the Board Committees every year and will ascertain key focus areas for continuous improvement. The performance criteria for the Board evaluation include composition structure and size of the board, board processes, board information and accountability, board performance and, the constitution of the Board Committees and performance of their delegated roles.

Each Director is required to complete assessment forms to evaluate the Board and the Board Committees. The Company Secretary collates the completed forms and prepares a consolidated report for the Chairman of the NC. The NC discusses the report and concludes the performance results during a NC meeting. In consultation with the NC, the Chairman will act on the results of the performance evaluation with a view to strengthening the Board with new members and/or seeking the resignation of Directors where appropriate, and enhancing the effectiveness of the Board as a whole, and the Board Committees.

Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors at the AGM are based on the Directors' attendance at meetings held during the financial year, preparedness for meetings, analytical skills, and the contributions made by the Directors at the meetings.

The Board is of the view that while financial indicators such as share price performance and return-on-equity allow for benchmarking of the Board's performance relative to that of competitors and industry peers, non-financial indicators such as feedback received from investors (institutional and/or retail) and market analysts also serve as useful qualitative analysis by external parties. For the long-term success and value creation of the Group, the Board believes that its performance and that of individual Board members is reflected in, and evidenced by, proper guidance, diligent oversight and able leadership of the Company, and the support that it lends to Management in steering the Company and the Group to achieve strategic goals. Having regard to its composition and mix, the Board has endeavoured through each Director's unique contributions and diversity of experience, to ensure that balanced and well-considered decisions are made in the best interests of the Group.

No external facilitator was engaged for the evaluation process for FY18.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management provides the Directors with complete, adequate and timely information prior to Board meetings and on an on-going basis. In addition, all relevant information on budgets, forecasts, monthly accounts, material events and transactions complete with background and explanations are circulated to the Directors as and when they are available. In respect of projections (budgets and forecasts), any material variance between the projections and actual results are disclosed and explained by the Group CFO at Board meetings.

The Directors have separate and independent access to the Company's senior Management and the advice of the Company Secretary, who also attends meetings of the Board and the Board Committees. The Company Secretary is responsible for ensuring that board procedures are followed. The Directors also ensure that the Company complies with the requirements of all applicable rules, laws, and regulations.

The Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs, at the Company's expense.

The Company Secretary attends all Board meetings. Her duties include minute-taking, assisting the Chairman in ensuring that Board procedures are followed and communicating changes in the Listing Manual of the SGX-ST or other regulations affecting corporate governance and compliance where appropriate. The Company Secretary's responsibilities also include facilitating orientation and assisting with professional development as required.

The Constitution of the Company empowers the Board to appoint and remove any Company Secretary.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain, and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The RC comprises Mak Lye Mun, Christopher Grubb, and Thomas Teo Liang Huat. Mak Lye Mun who is an Independent Director, is the Chairman of the RC. The Independent Directors make up the majority of the RC.

The key terms of reference of the RC include reviewing and recommending a general framework of remuneration for the Board, the remuneration packages of the Group CEO and key management personnel, and ensuring that a sufficient number of suitable candidates are recruited and/or promoted to leadership positions.

As part of its review, the RC will take into consideration the salary and employment conditions of similar roles within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the Group CEO and key management personnel.

The RC seeks expert advice from external consultants whenever required. No external consultant was engaged in FY18 to provide remuneration advice.

The RC has adopted a framework for Non-Executive Directors' fees. Within that framework, the RC had recommended payment of Directors' fees of $315,000 for FY18, which was paid quarterly in arrears. The Directors' fees are subject to the approval of shareholders at every AGM. No Director is involved in the decision concerning his own fee.

The Company has disclosed the remuneration of the Directors in bands of $250,000. The Company is of the view that due to the confidentiality and sensitivity attached to remuneration matters, it would not be in the best interest of the Company to disclose the exact details of the remuneration of the Directors, the Group CEO, and key management personnel.

Directors' Remuneration – FY18	Salary %	Bonus %	Fees %	Other Benefits %	Total %
$750,000 to below $1,000,000					
Kim Teo Poh Jin	50	50	0	0	100
Below $250,000					
Goh Geok Khim	0	0	100	0	100
Spencer Lee Tien Chye	0	0	100	0	100
Mak Lye Mun	0	0	100	0	100
Thomas Teo Liang Huat	0	0	100	0	100
Christopher Grubb	0	0	100	0	100
Goh Yew Lin (Alternate to Goh Geok Khim)	0	0	0	0	0

The remuneration in FY18 of key management personnel are set out below in bands of $250,000:

Key Management Personnel (not being Directors) – FY18	Salary %	Bonus %	Fees %	Other Benefits %	Total %
$750,000 to below $1,000,000					
Rhett Tregunna	71	22	0	7	100
$500,000 to below $750,000					
Adrian Kow Tuck Hoong	79	20	0	1	100
$250,000 to below $500,000					
Chester Leong Chang Hong	71	28	0	1	100
Victor Lai Kuan Loong	71	28	0	1	100
Samantha Tai Yit Chan	70	23	0	7	100

The aggregate remuneration paid to the above key management personnel (who are not Directors) for FY18 was $2,580,322.

While the Code recommends that the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis, after careful consideration, the Board is of the view that such disclosure would not be in the best interest of the Company or its shareholders, and that the details disclosed in the table provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. In arriving at its decision, the Board took into consideration the competitive business environment in which the Group operates, and the negative impact such disclosure may have on the Group.

The remuneration mix of the Group CEO and key management personnel comprises fixed and variable components. The fixed component includes base salary, fixed allowances, compulsory employer contribution to the social security fund, and other benefits as applicable. The variable component includes annual bonus which is dependent on the Group and individual performance.

There are no termination or retirement benefits that are granted to the Group CEO and key management personnel of the Group.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Group CEO and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company as the incentive components of their remuneration packages are moderate.

The remuneration framework for all employees, save for the Group CEO and key management personnel, comprises a fixed component in the form of a base salary and a variable component in the form of a bonus that is given to the employee after the financial year end. The bonus is linked to the Group's and the employee's performance.

The Company currently does not operate any share-based incentive schemes for employees.

There were no employees who were immediate family members of the Directors and earned in excess of $50,000 in FY18.

An annual remuneration report is not included in this report as the matters required to be disclosed therein have been disclosed above, in the Directors' Statement and in the Notes to the Financial Statements. The Board responds to queries from shareholders at AGMs on matters pertaining to remuneration policies and directors' remuneration.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position, and prospects.

The Company provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 45 days from the end of the quarter. Annual results are released within 60 days from the end of the financial year.

The Board is responsible for presenting a balanced and comprehensive assessment of the Company's performance, position and prospects, including interim and other price-sensitive public reports and reports to the regulators (if required). Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNET and the Company's website. The Company has in place a system of reporting to maintain compliance with statutory and regulatory reporting requirements.

Management provides the Board with information, including management accounts and updates on performance on a quarterly basis, in order that the Board may effectively discharge its duties by making a balanced and informed assessment of the performance, position, and prospects of the Company.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has overall responsibility for the management of the Group's key risks to safeguard shareholders' interests and its assets. The Board has a risk framework for the Group in place. This framework enables the identification of key risks which are reported to the AC to facilitate the Board's oversight of the effectiveness of risk management, and the adequacy of mitigating measures taken by Management to address the underlying risks. Key risks have been identified and action plans are in place to mitigate risks.

The AC assists the Board in providing risk management oversight while the ownership of day-to-day management and monitoring of existing internal control systems are delegated to Management, which comprises the Group CEO, the Group CFO, the Country CEOs, and heads of the respective departments/business divisions.

The Board has adopted a risk tolerance framework to provide guidance to Management on key risk parameters. Management is responsible for the effective implementation of risk management strategies, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. Risk registers are maintained by the business divisions and operational units that identify the key risks facing the Group's business. Internal controls are in place to manage those risks. Through this process, the significant risks in the Group's business, including mitigating measures are managed and monitored by Management, reviewed by the AC on a regular basis, and reported to the Board.

The Group has also put in place an incident reporting process, whereby potential major incidents and violations, including major or material operational loss events and breaches of laws and regulations by the Group and/or its key officers, are required to be reported by Management to the Board in a timely manner to facilitate the Board's oversight of crisis management and adequacy and the effectiveness of follow-up actions taken by Management. Through this process, the Board has been kept informed of any incidents with potential material financial, operational, compliance and technology risk impact.

The Group's financial risk management objectives and policies are further discussed under Note 30 of the Notes to the Financial Statements, on pages 99 to 108 of the Annual Report.

The Board and the AC had received assurance from the Group CEO and the Group CFO that:

(a) the financial records of the Group have been properly maintained and the financial statements for FY18 give a true and fair view of the Group's operations and finances; and

(b) the risk management system and internal controls in place within the Group are adequate and effective in addressing the material financial, operational, compliance and information technology risks in the Group.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by Management, as well as assurance from the Group CEO and the Group CFO, the Board, with the concurrence of the AC, is of the opinion that the internal controls (including financial, operational, compliance and information technology controls) and risk management system of the Group are adequate and effective as at 31 December 2018 to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

For FY18, both the Board and the AC have not identified any material weaknesses in the internal controls of the Group.

The internal controls and risk management system established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises Spencer Lee Tien Chye and Christopher Grubb, both of whom are Independent Directors, and Thomas Teo Liang Huat, a Non-Executive and Non-Independent Director. Independent Directors make up the majority of the AC. The Chairman of the AC is Spencer Lee Tien Chye, who is also the Lead Independent Director of the Company.

All the members of the AC have relevant accounting and financial management experience and are hence enabled to discharge their responsibilities competently. Two members of the AC, including the Chairman of the AC are qualified chartered accountants. The AC has reasonable resources to enable it to discharge its functions effectively.

During FY18, the AC carried out its functions in accordance with the Companies Act, Chapter 50 of Singapore and its terms of reference.

The key terms of reference for the AC include:

(a) reviewing the annual audit plans of internal and external auditors;

(b) reviewing significant financial reporting issues and judgements and the results of examination by internal and external auditors and their evaluation of the Group's internal control systems;

(c) reviewing the Company's quarterly and full-year financial results, and the consolidated financial results of the Group before submission to the Board for approval for release to the SGX-ST;

(d) reviewing the adequacy and effectiveness of the Group's accounting control systems and the cooperation given by Management to internal and external auditors;

(e) reviewing the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management framework, relying on reviews carried out by internal auditors;

(f) reviewing results of internal audits as well as Management's responses to the recommendations of internal auditors;

(g) reviewing the cost-effectiveness and the independence and objectivity of external auditors;

(h) reviewing the nature and extent of non-audit services provided by external auditors yearly to determine their independence;

(i) recommending to the Board the appointment and re-appointment of external auditors, approve the compensation and terms of engagement of external auditors, and review the scope and results of the audit;

(j) reviewing the Company's hedging contracts and the structure and underlying conditions for hedging activities;

(k) reviewing interested person transactions falling within the scope of the Listing Manual of the SGX-ST; and

(l) conducting any other reviews as required by the Listing Manual of the SGX-ST.

The AC has also put in place a Whistle-Blowing Policy ("WB Policy"), whereby staff of the Group and any other person may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters in confidence and in good faith, without fear of reprisal. It also ensures that arrangements are in place for independent investigations of reported matters and the implementation of appropriate follow-up actions. The WB Policy, together with the contact details of members of the AC, are communicated to all employees by the Human Resources Department. A complaint shall be in person or in writing, and shall be lodged with any member of the AC.

The improprieties that are reportable under the WB Policy include:

(a) financial or professional misconduct;

(b) improper conduct, dishonest or unethical behaviour, or violence at the workplace;

(c) any irregularity or non-compliance with laws, regulations, and/or internal controls;

(d) conflicts of interest;

(e) health and safety of any individual; and

(f) any other improprieties or matters that may adversely affect shareholders' interest in, and assets of, the Company and its reputation.

All whistle-blowing complaints which are raised are independently investigated and appropriate actions taken. The AC reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

The Board has delegated to the AC the authority to investigate any matter within its terms of reference. The AC has full access to and the cooperation of Management. It has full discretion to invite any Director or executive officer, including any Director from any subsidiary board within the Group, to attend its meetings and has various resources, including external consultants, to enable it to discharge its responsibilities properly. The auditors, both internal and external, have unrestricted access to the AC.

The AC meets with internal and external auditors, without the presence of Management, at least once a year.

The AC members take measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through attendance at trainings and updates by professionals and external auditors.

During FY18, the AC reviewed the quarterly financial results, the quality and reliability of information prepared for inclusion in financial reports, policies and practices put in place by Management, results of the audits performed by internal and external auditors, and the register of interested person transactions. The AC also reviewed risk profiles and adequacy of the internal audit function, audit plans and scope, and the effectiveness of the internal audit.

The AC also noted and reviewed the nature and extent of the non-audit services provided to the Group by external auditor. The AC is of the opinion that the provision of such non-audit services did not affect the independence and objectivity of external auditor.

For FY18, the aggregate amount of audit fees paid to external auditors for audit services rendered to the Group was $391,000.

The Company and its subsidiaries comply with the requirements of Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to the appointment of external auditors.

None of the AC members was a former partner of the Company's existing external auditors, Ernst & Young LLP, within the previous 12 months or has any financial interest in the firm.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company engages BDO LLP ("BDO"), a certified public accounting firm, as the Group's internal auditors. BDO reports functionally to the AC and administratively to the Group CEO and the Group CFO.

BDO performs its work according to the Global BDO IA Methodology, which is consistent with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. BDO periodically reviews the adequacy of and compliance with group policies, procedures and internal controls which are designed to manage risk and safeguard the Group's assets. The internal auditors have unrestricted access to all the Group's documents, records, properties and personnel, including access to the AC.

The scope of internal audit is to ascertain that the Group's:

(a) key business and operational risks are identified and managed;

(b) internal controls are in place and functioning as intended; and

(c) operations are conducted in an effective and efficient manner.

To ensure adequacy of the internal audit function, the AC reviews the internal auditor's scope of work. Non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system. The AC also ensures that the approved audit recommendations are adequately performed.

The Group's external auditors, Ernst & Young LLP, also contribute an independent perspective on the selected internal controls tested in connection with external audit and report material findings to the AC, where applicable. The AC reviews the adequacy and effectiveness of the Group's internal audit function annually and is satisfied that the Group's internal audit function was independent, adequately resourced and effective for FY18.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company does not practise selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the Listing Manual of SGX-ST, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group. Management also addresses queries raised by institutional and retail investors via phone calls or e-mails.

Information is communicated to shareholders on a timely basis via SGXNET through:

(a) annual reports that are issued to all shareholders;

(b) quarterly financial results containing a summary of the financial information and affairs of the Group;

(c) timely announcements pursuant to the Listing Manual of SGX-ST; and

(d) notices of general meetings.

The Company also maintains a corporate website at www.boardroomlimited.com where the public can access investor-related information of the Group. The quarterly and full-year financial results are published via SGXNET as well as on the Company's website. Enquiries from shareholders, analysts and the press are handled by specifically designated members of senior Management in lieu of a dedicated investor relations team.

The Company's main dialogue with its shareholders, which includes institutional and retail investors, takes place at its AGMs. Shareholders are encouraged to attend the AGMs. The Board and Management, as well as external auditors, are in attendance at the AGMs to address shareholders' questions on issues relevant to the Group and resolutions proposed at the AGMs. The Chairmen of the respective Board Committees would be present at the AGMs to answer those questions relating to the work of these committees.

Every matter requiring approval is proposed as a separate resolution unless they are linked, and the reasons and material implications are explained. The Company Secretary prepares the minutes of general meetings which include relevant comments and queries from shareholders, and makes these minutes available to shareholders upon request.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax.

Shareholders can vote in person or appoint not more than two proxies to attend, speak and vote on their behalf at general meetings of shareholders, with the exception that shareholders such as nominee companies which provide custodial services for securities are able to appoint more than two proxies to attend, speak and vote at general meetings notwithstanding the Constitution of the Company does not differentiate between the number of proxies which may be appointed by individual shareholders and by nominee companies.

All resolutions are voted by electronic polling. An independent scrutineer is also appointed to count and validate the votes cast at the general meetings. Shareholders and proxies in attendance at the general meetings are informed of the rules, including voting procedures, that govern general meetings. The detailed results showing the number of votes cast for and against each resolution and its respective percentage are announced via SGXNET.

The notice of the general meetings is dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least 14 or 21 days before the general meetings. The notice of the general meetings will also be advertised in an English language daily newspaper in Singapore and will be made available on SGXNET.

The Company does not have a stated policy of distributing a fixed percentage of earnings by way of dividend in any financial year. In fixing a dividend for any year, the Board considers a number of factors, including current and forecast earnings, capital expenditure requirements, growth options and the Company's debt/equity position.

DEALING WITH THE COMPANY'S SECURITIES

The Company has adopted a code of conduct to provide guidance to its officers with regard to dealings in the Company's securities. The Company has complied with its Best Practices Guide on Securities Transactions which states that officers of the Company should not deal in the Company's securities on short-term considerations and during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year or one month before the announcement of the Company's full-year financial results.

INTERESTED PERSON TRANSACTIONS

In respect of any transaction with interested persons, the Company has set out the procedures for review and approval of the Company's interested person transactions.

When a potential conflict of interest arises, the Director concerned does not participate in the discussion and the decision-making process and refrains from exercising any influence over other members of the Board.

All new Directors are briefed on the relevant provisions that they need to comply with. All interested person transactions, if any, are reported and monitored by the Finance Department and reviewed by the AC.

There were no interested person transactions within the meaning of Chapter 9 of the Listing Manual of the SGX-ST in FY18.

MATERIAL CONTRACTS

The Company and its subsidiaries did not enter into any material contracts involving the interests of the Group CEO, any Director or controlling shareholder, either still subsisting at the end of FY18 or if not then subsisting, entered into since the end of the previous financial year.

SUSTAINABILITY REPORT

The Company will be publishing its Sustainability Report in compliance with the SGX reporting guidelines and references the Global Reporting Initiative ("GRI") Standards GRI 101: Foundation, 2016; GRI 102: General Disclosures, 2016; and GRI 103: Management Approach, 2016.

Material environmental, social and governance factors identified include (i) governance and ethics; (ii) client satisfaction; (iii) client privacy and data protection; (iv) talent attraction; (v) development and retention; (vi) diversity and inclusion; (vii) workplace health, safety and well-being; (viii) waste management; (ix) greenhouse gas emissions; and (x) community investment.

The report will be available on the Company's website at https://www.boardroomlimited.com/investor-relations/sustainability-reports/ by 5 April 2019.

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Boardroom Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2018.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Goh Geok Khim
Kim Teo Poh Jin
Mak Lye Mun
Spencer Lee Tien Chye
Christopher Grubb
Thomas Teo Liang Huat
Goh Yew Lin (Alternate to Goh Geok Khim)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the Register of Directors' Shareholdings, required to be kept under Section 164 of the Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Number of ordinary shares fully paid					
	Shares registered in name of director			Shares in which director is deemed to have an interest		
	As at 1.1.2018	As at 31.12.2018	As at 21.1.2019	As at 1.1.2018	As at 31.12.2018	As at 21.1.2019
Name of Director						
The Company						
Goh Geok Khim	–	–	–	168,987,275	169,235,375	169,235,375
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	168,987,275	169,235,375	169,235,375
Thomas Teo Liang Huat	150,000	150,000	150,000	–	–	–
Salacca Pte. Ltd. (Immediate holding company)						
Goh Geok Khim	–	–	–	2	2	2
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	2	2	2
G.K. Goh Holdings Limited (Immediate holding company)						
Goh Geok Khim	–	–	–	196,361,422	196,361,422	196,361,422
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	196,397,422	196,397,422	196,397,422
Thomas Teo Liang Huat	125,741	256,141	256,141	–	–	–
GKG Investment Holdings Pte Ltd (Ultimate holding company)						
Goh Geok Khim	2,500,500	2,500,500	2,500,500	704,500	704,500	704,500
Goh Yew Lin (Alternate to Goh Geok Khim)	1,495,000	1,495,000	1,495,000	–	–	–

Goh Geok Khim and Goh Yew Lin, by virtue of the provisions of Section 7 of the Companies Act, Chapter 50, are deemed to be interested in the whole of the issued share capital of all the wholly-owned subsidiaries of Boardroom Limited.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

SHARE OPTIONS

The Company no longer has any share option scheme.

AUDIT COMMITTEE

The Audit Committee ("AC") as at the date of this statement comprises the following members:

Spencer Lee Tien Chye	(Chairman) (Independent and Non-Executive Director)
Christopher Grubb	(Independent and Non-Executive Director)
Thomas Teo Liang Huat	(Non-Executive Director)

The AC carries out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50. The principal functions of the AC are to:

- review the annual audit plans of the Company's internal and external auditors;
- review significant financial reporting issues and judgements and the results of examination by internal and external auditors and their evaluation of the Group's internal control systems;
- review the Company's quarterly results announcements, the financial results of the Company, and the consolidated financial results of the Group before submission to the Board for approval for release to the Singapore Exchange Securities Trading Limited ("SGX-ST");
- review the adequacy and effectiveness of the Group's accounting control systems and the cooperation given by Management to the internal and external auditors;
- review the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management framework, relying on reviews carried out by the internal auditors;
- review results of internal audits as well as Management's responses to the recommendations of the internal auditors;
- review the cost effectiveness and the independence and objectivity of the external auditors;
- review the nature and extent of non-audit services provided by the external auditors yearly to determine their independence;
- recommend to the Board the appointment and re-appointment of external auditors, approve the compensation and terms of engagement of the external auditors, and review the scope and results of the audit;
- review the Company's hedging contracts and the structure and underlying conditions for hedging activities;
- review interested person transactions falling within the scope of the Listing Manual of the SGX-ST; and
- conduct any other reviews as required by the Listing Manual of the SGX-ST.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

INDEPENDENT AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Kim Teo Poh Jin
Director

Thomas Teo Liang Huat
Director

14 March 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Boardroom Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2018, the statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters (continued)

1. Business combination

During the financial year ended 31 December 2018, the Group acquired 100% shareholding in Symphony Corporatehouse Sdn Bhd, its subsidiary and related companies (the "Acquiree") through its wholly-owned subsidiary in Malaysia for a total consideration of MYR160.73 million, equivalent to $53.6million.

The Group has applied the acquisition method to account for the business combination and has carried out a purchase price allocation ("PPA") exercise with the assistance of an external valuation specialist to allocate the purchase consideration to the fair value of the identifiable assets and liabilities of the Acquiree. As at 31 December 2018, the initial accounting for the business combination is in progress and the Group has recognised provisional goodwill of $43.2 million in respect of this business combination. Given the magnitude of the acquisition and the significant management judgement involved in applying the acquisition accounting requirements and performing the PPA exercise, we considered the accounting for the business combination to be a key audit matter.

The audit procedures performed included the following, amongst others:

- Read the sales and purchase agreements in relation to the acquisition to obtain an understanding of the transaction and the key terms
- Evaluated management's accounting treatment applied to the acquisition based on the requirements of SFRS(I) 3 Business Combinations
- Reviewed the measurement of the shares and cash consideration transferred and traced the shares issued as consideration to the share register
- Evaluated the competence, capabilities and objectivity of the external valuation specialist engaged by management
- Reviewed management's identification of the assets and liabilities of the Acquiree, including additional intangible assets identified based on our discussion with management and our understanding of the Acquiree's businesses and contracts
- Involved our internal specialist in reviewing the valuation methodologies and assumptions such as growth and discount rates used by management and the external valuation specialist in measuring the provisional fair values of the Acquiree's identifiable assets and liabilities
- Checked the arithmetic accuracy of the computation of provisional goodwill as at the date of acquisition
- Reviewed the accuracy and adequacy of the disclosures made on the business combination in Note 5 to the financial statements

As auditor of the Group, we participated in the planning, execution and conclusion of the subsidiary auditors' work, including the above audit procedures in relation the business combination. We held discussions and meetings with the subsidiary auditors on the accounting treatment of the business combination and the PPA exercise. We reviewed the procedures they performed and evaluated the adequacy of audit evidence obtained as a basis for forming our opinion on the financial statements of the Group as a whole.

Key audit matters (continued)

2. Goodwill

The Group has $84.6 million of goodwill arising from the acquisition of Singapore, Australia, Hong Kong, and Malaysia subsidiaries as at 31 December 2018. As disclosed in Note 4 to the financial statements, during the financial year, the Group acquired 100% shareholding in Symphony Corporatehouse Sdn Bhd, its subsidiary and related companies ("Symphony companies") through its wholly-owned subsidiary in Malaysia. This business combination led to significant increase in the amount of goodwill recognized by the Group and the related audit matters are explained in item 2 of this section. Goodwill represents approximately 89% of the net assets of the Group and the determination of their recoverable amount is complex and typically requires a high level of management judgement, taking into account the different economic environments in which the Group operates. Hence, we considered the audit of management's annual goodwill impairment test to be a key audit matter.

As disclosed in Note 4 to the financial statements, goodwill is allocated to the cash-generating units ("CGUs") within the Group's acquired businesses in Singapore, Australia, Hong Kong, and Malaysia. The recoverable amounts of these CGUs have been determined based on value in use calculations using cash flow projections approved by the management. The value in use calculations include assumptions of future profitability, growth rates, effects of expected synergies arising from acquisitions, and discount rates. Based on the annual impairment test, management has concluded that goodwill is not impaired.

The audit procedures performed included the following, amongst other:

- Updated our understanding of the processes undertaken by management for the impairment assessment of goodwill and its basis to allocate goodwill to the respective CGUs and groups of CGUs
- Checked that the cash flow projections were based on approved management forecasts and evaluated management's forecasting process by comparing previous forecasts to actual results
- Evaluated assumptions made by management based on our understanding of the Group's business plans and by comparing to historical data, recent trends and market outlook
- Evaluated discount rates used to determine the present value with the assistance of our internal valuation specialists by comparing to external comparable data
- Reviewed the sensitivity analysis performed by management on the value in use calculations to changes in key assumptions
- Reviewed the accuracy and adequacy of the disclosures made on the goodwill impairment test in Note 4 to the financial statements

As auditor of the Group, we participated in the planning, execution and conclusion of the subsidiary auditors' work and noted that the above audit procedures were performed by the auditors of the respective subsidiaries which recorded the goodwill on their balance sheet. We reviewed the procedures they performed and evaluated the adequacy of audit evidence obtained as a basis for forming our opinion on the financial statements of the Group as a whole.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Alvin Phua Chun Yen.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

14 March 2019

BALANCE SHEETS

As at 31 December 2018

	Note	Company 31.12.2018 $'000	Company 31.12.2017 $'000	Company 1.1.2017 $'000	Group 31.12.2018 $'000	Group 31.12.2017 $'000 (Restated)	Group 1.1.2017 $'000 (Restated)
Assets							
Non-current assets							
Property, plant and equipment	3	507	489	495	2,693	2,859	1,972
Intangible assets	4	106	236	257	118,909	69,485	68,939
Investments in subsidiaries	5	64,677	86,493	84,793	–	–	–
Investment in associate	6	–	–	–	3,159	–	–
Deferred tax assets	7	9	9	–	805	299	260
Amounts due from subsidiaries	8	37,336	–	–	–	–	–
		102,635	87,227	85,545	125,566	72,643	71,171
Current assets							
Short term investments	9	–	–	–	935	–	–
Income tax receivable		–	–	–	364	–	156
Unbilled receivables	10	–	–	–	1,835	1,696	2,936
Trade and other receivables	11	810	1,628	1,448	23,032	19,814	16,705
Amounts due from subsidiaries	8	33,145	4,272	3,431	–	–	–
Prepayments		77	108	88	800	588	464
Cash and cash equivalents	12	4,202	4,037	5,386	24,622	20,899	20,185
		38,234	10,045	10,353	51,588	42,997	40,446
Total assets		140,869	97,272	95,898	177,154	115,640	111,617
Equity and liabilities							
Current liabilities							
Bank borrowings	13	10,800	1,500	1,500	10,800	1,500	1,500
Trade and other payables	14	2,049	1,550	1,061	20,030	15,301	13,221
Amounts due to subsidiaries	8	460	30	67	–	–	–
Contract liabilities	10	–	–	–	4,421	3,966	5,270
Derivative liabilities	15	109	–	–	109	–	–
Income tax payable		81	105	559	1,241	275	714
		13,499	3,185	3,187	36,601	21,042	20,705
Net current assets		24,735	6,860	7,166	14,987	21,955	19,741
Non-current liabilities							
Provision for employees benefits	16	–	–	–	234	254	351
Deferred tax liabilities	7	–	–	143	7,563	5,261	4,836
Bank borrowings	13	37,450	7,000	8,500	37,450	7,000	8,500
		37,450	7,000	8,643	45,247	12,515	13,687
Total liabilities		50,949	10,185	11,830	81,848	33,557	34,392
Net assets		89,920	87,087	84,068	95,306	82,083	77,225
Equity attributable to owners of the Company							
Share capital	17	50,034	37,554	37,554	50,034	37,554	37,554
Other reserves	18	(247)	–	–	(9,700)	(14,411)	(12,569)
Retained earnings		40,133	49,533	46,514	54,972	58,940	52,240
Total equity		89,920	87,087	84,068	95,306	82,083	77,225
Total equity and liabilities		140,869	97,272	95,898	177,154	115,640	111,617

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2018

	Note	2018 $'000	2017 $'000 (Restated)
Revenue	19	91,591	80,674
Other operating income	20	1,360	1,136
Employee benefits expense	21	(48,754)	(43,130)
Interest on bank borrowings		(1,051)	(245)
Depreciation and amortisation expenses		(3,843)	(2,831)
Impairment of goodwill		–	(61)
Other operating expenses		(30,052)	(23,238)
Share of results of associate	6	5	–
Profit before tax	22	9,256	12,305
Tax expense	23	(2,306)	(1,732)
Profit for the financial year, net of tax		6,950	10,573
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,118)	(1,842)
Net fair value changes on derivatives designated as cash flow hedges		(109)	–
Reclassification to profit or loss on cash flow hedges		(138)	–
Other comprehensive income for the financial year		(1,365)	(1,842)
Profit for the financial year attributable to owners of the Company		6,950	10,573
Total comprehensive income for the financial year attributable to owners of the Company		5,585	8,731
Earnings per share (cents per share)			
Basic and diluted	24	3.49	5.46

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2018

	Attributable to owners of the Company					
	Share capital (Note 17) $'000	Exchange translation reserve (Note 18) $'000	Hedging Reserve (Note 18) $'000	Premium paid on acquisition of non-controlling interests (Note 18) $'000	Retained earnings $'000	Total $'000
Group						
Balance at 1 January 2018 (FRS framework)	37,554	(13,479)	–	(12,569)	70,577	82,083
Cumulative effects of adopting SFRS (I)	–	17,713	–	–	(17,713)	–
Balance at 1 January 2018 (SFRS (I) framework)	37,554	4,234	–	(12,569)	52,864	82,083
Profit for the financial year	–	–	–	–	6,950	6,950
Other comprehensive income for the financial year						
– Foreign currency translation	–	(1,118)	–	–	–	(1,118)
– Net fair value changes on derivatives designated as cash flow hedges	–	–	(109)	–	–	(109)
– Reclassification to profit or loss on cash flow hedges	–	–	(138)	–	–	(138)
Total comprehensive income for the financial year	–	(1,118)	(247)	–	6,950	5,585
Contributions by and distributions to owners						
Cash dividends on ordinary shares (Note 25)	–	–	–	–	(4,842)	(4,842)
Shares issued for acquisition of a subsidiary	12,480	–	–	–	–	12,480
Total contributions by and distributions to owners	12,480	–	–	–	(4,842)	7,638
Balance at 31 December 2018	50,034	3,116	(247)	(12,569)	54,972	95,306

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2018

	Attributable to owners of the Company				
	Share capital (Note 17) $'000	Exchange translation reserve (Note 18) $'000	Premium paid on acquisition of non-controlling interests (Note 18) $'000	Retained earnings $'000	Total $'000
Group					
Balance at 1 January 2017 (FRS framework)	37,554	(11,637)	(12,569)	63,877	77,225
Cumulative effects of adopting SFRS (I)	–	11,637	–	(11,637)	–
Balance at 1 January 2017 (SFRS (I) framework)	37,554	–	(12,569)	52,240	77,225
Profit for the financial year	–	–	–	10,573	10,573
Other comprehensive income for the financial year					
– Foreign currency translation	–	(1,842)	–	–	(1,842)
Total comprehensive income for the financial year	–	(1,842)	–	10,573	8,731
Contributions by and distributions to owners					
Cash dividends on ordinary shares (Note 25)	–	–	–	(3,873)	(3,873)
Balance at 31 December 2017	37,554	(1,842)	(12,569)	58, 940	82,083

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2018

	Attributable to owners of the Company			
	Share capital (Note 17) $'000	Hedging Reserve (Note 18) $'000	Retained earnings $'000	Total $'000
Company				
Balance at 1 January 2018 (FRS framework)	37,554	–	49,533	87,087
Cumulative effects of adopting SFRS (I) 9	–	–	(6,076)	(6,076)
Balance at 1 January 2018 (SFRS (I) framework)	37,554	–	43,457	81,011
Profit for the financial year	–	–	1,518	1,518
Other comprehensive income for the financial year				
– Net fair value changes on derivatives designated as cash flow hedges	–	(109)	–	(109)
– Reclassification to profit or loss on cash flow hedges	–	(138)	–	(138)
Total comprehensive income for the financial year	–	(247)	1,518	1,271
Contributions by and distributions to owners				
Cash dividends on ordinary shares (Note 25)	–	–	(4,842)	(4,842)
Shares issued for acquisition of a subsidiary	12,480	–	–	12,480
Total contributions by and distributions to owners	12,480	–	(4,842)	7,638
Balance at 31 December 2018	50,034	(247)	40,133	89,920
Balance at 1 January 2017	37,554	–	46,514	84,068
Profit for the financial year, representing total comprehensive income for the financial year attributable to owner of the Company	–	–	6,892	6,892
Total comprehensive income for the financial year	37,554	–	53,406	90,960
Contributions by and distributions to owners				
Cash dividends on ordinary shares (Note 25)	–	–	(3,873)	(3,873)
Balance at 31 December 2017	37,554	–	49,533	87,087

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2018

	Note	2018 $'000	2017 $'000 (Restated)
Operating activities			
Profit before tax		9,256	12,305
Adjustments for:			
Amortisation of intangible assets	4	2,531	1,993
Depreciation of property, plant and equipment	3	1,312	838
Allowance for impairment of trade receivables, net		475	637
Impairment of goodwill	4	–	61
Exchange differences		2,413	16
Loss on disposal of property, plant and equipment	22	28	2
Interest income	20	(798)	(246)
Interest expense	22	1,051	245
Share of associates' profits		(5)	–
Operating profit before working capital changes		16,263	15,851
Increase in operating receivables and prepayments		(756)	(4,224)
Increase in operating payables		1,726	1,803
(Increase)/Decrease in unbilled receivables		(139)	1,238
Increase/(Decrease) in contract liabilities		389	(1,077)
Cash generated from operations		17,483	13,591
Interest paid		(817)	(227)
Tax expense paid		(2,032)	(1,924)
Net cash generated from operating activities		14,634	11,440
Investing activities			
Acquisition of property, plant and equipment	3	(1,320)	(1,729)
Acquisition of intangible assets	4	(1,812)	(1,745)
Acquisition of subsidiaries	5	(39,920)	(1,921)
Acquisition of an associate	6	(3,283)	–
Proceeds from sale of property, plant and equipment		2	–
Interest received		798	246
Net cash used in investing activities		(45,535)	(5,149)
Financing activities			
Cash dividends paid on ordinary shares	25	(4,842)	(3,873)
Repayment of bank borrowings		(2,701)	(1,500)
Proceeds from loans and borrowings		42,451	–
Net cash generated from/(used in) financing activities		34,908	(5,373)
Net increase in cash and cash equivalents		4,007	918
Effect of exchange rate changes on cash and cash equivalents		(284)	(204)
Cash and cash equivalents at 1 January		20,899	20,185
Cash and cash equivalents at 31 December	12	24,622	20,899

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The immediate and ultimate holding companies are Salacca Pte. Ltd. and GKG Investment Holdings Pte Ltd respectively, both incorporated in Singapore.

The registered office and principal place of business of the Company is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

For all periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore ("FRS"). The financial statements for the year ended 31 December 2018 are the first set the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 *Changes in accounting policies*

The Group adopted the new financial reporting framework – SFRS(I) for the first time for financial year ended 31 December 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group has applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 December 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 December 2018, an additional opening balance sheet as at date of transition (1 January 2017) is presented, together with related notes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Changes in accounting policies* (continued)

Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 January 2017) and as at end of last financial period under FRS (31 December 2017), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 31 December 2017). Additional disclosures are made for specific transition adjustments if applicable.

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 and SFRS(I) 15 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Management has elected the following transition exemptions:

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 January 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I). Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

- Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017. As a result, an amount of $11,637,000 was adjusted against the opening retained earnings as at 1 January 2017.

- The comparative information do not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments: Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Changes in accounting policies* (continued)

The effects of transition to SFRS(I) and initial application of SFRS(I) 15 are presented and explained below.

(A) Impact on the balance sheet of the Group as at 1 January 2017 (date of transition to SFRS(I))

	Group			
	1.1.2017 (FRS) $'000	SFRS(I) 1 Adjustments $'000	SFRS(I) 15 Adjustments $'000	1.1.2017 (SFRS(I)) $'000
Non-current assets				
Property, plant and equipment	1,972	–	–	1,972
Intangible assets	68,939	–	–	68,939
Deferred tax assets	260	–	–	260
	71,171	–	–	71,171
Current assets				
Trade and other receivables	16,705	–	–	16,705
Unbilled disbursements	45	–	(45)	–
Unbilled receivables	–	–	2,936	2,936
Tax recoverable	156	–	–	156
Prepayments	464	–	–	464
Cash and cash equivalents	20,185	–	–	20,185
	37,555	–	2,891	40,446
Total assets	108,726	–	2,891	111,617
Current liabilities				
Trade and other payables	13,221	–	–	13,221
Bank borrowings	1,500	–	–	1,500
Disbursements billed in advance	52	–	(52)	–
Amounts due to customers for work-in-progress	2,327	–	(2,327)	–
Contract liabilities	–	–	5,270	5,270
Income tax payable	714	–	–	714
	17,814	–	2,891	20,705
Non-current liabilities				
Bank borrowings	8,500	–	–	8,500
Provision for employees benefits	351	–	–	351
Deferred tax liabilities	4,836	–	–	4,836
	13,687	–	–	13,687
Total liabilities	31,501	–	2,891	34,392
Total equity				
Share capital	37,554	–	–	37,554
Retained earnings	63,877	(11,637)	–	52,240
Other reserves	(24,206)	11,637	–	(12,569)
	77,225	–	–	77,225
Total equity and liabilities	108,726	–	2,891	111,617

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Changes in accounting policies* (continued)

(B) Impact on the balance sheet of the Group as at 31 December 2017 (end of last period reported under FRS)

	Group					
	31.12.2017 (FRS) $'000	SFRS(I) 1 Adjustments $'000	SFRS(I) 15 Adjustments $'000	31.12.2017 (SFRS(I)) $'000	SFRS(I) 9 Adjustments $'000	1.1.2018 (SFRS(I)) $'000
Non-current assets						
Property, plant and equipment	2,859	–	–	2,859	–	2,859
Intangible assets	69,485	–	–	69,485	–	69,485
Deferred tax assets	299	–	–	299	–	299
	72,643	–	–	72,643	–	72,643
Current assets						
Trade and other receivables	19,814	–	–	19,814	–	19,814
Unbilled disbursements	107	–	(107)	–	–	–
Unbilled receivables	–	–	1,696	1,696	–	1,696
Prepayments	588	–	–	588	–	588
Cash and cash equivalents	20,899	–	–	20,899	–	20,899
	41,408	–	1,589	42,997	–	42,997
Total assets	114,051	–	1,589	115,640	–	115,640
Current liabilities						
Trade and other payables	15,301	–	–	15,301	–	15,301
Bank borrowings	1,500	–	–	1,500	–	1,500
Disbursements billed in advance	76	–	(76)	–	–	–
Amounts due to customers for work-in-progress	2,301	–	(2,301)	–	–	–
Contract liabilities	–	–	3,966	3,966	–	3,966
Income tax payable	275	–	–	275	–	275
	19,453	–	1,589	21,042	–	21,042
Non-current liabilities						
Bank borrowings	7,000	–	–	7,000	–	7,000
Provision for employees benefits	254	–	–	254	–	254
Deferred tax liabilities	5,261	–	–	5,261	–	5,261
	12,515	–	–	12,515	–	12,515
Total liabilities	31,968	–	1,589	33,557	–	33,557
Total equity						
Share capital	37,554	–	–	37,554	–	37,554
Retained earnings	70,577	(11,637)	–	58,940	(6,076)	52,864
Other reserves	(26,048)	11,637	–	(14,411)	6,076	(8,335)
	82,083	–	–	82,083	–	82,083
Total equity and liabilities	114,051	–	1,589	115,640	–	115,640

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Changes in accounting policies* (continued)

(C) Impact on the balance sheet of the Company as at 31 December 2017 (end of last period reported under FRS)

	Company		
	31.12.2017 (FRS) $'000	SFRS(I) 9 Adjustments $'000	1.1.2018 (SFRS(I)) $'000
Non-current assets			
Property, plant and equipment	489	–	489
Intangible assets	236	–	236
Investment in subsidiaries	86,493	(34,730)	51,763
Deferred tax assets	9	–	9
	87,227	(34,730)	52,497
Current assets			
Trade and other receivables	1,628	–	1,628
Amounts due from subsidiaries	4,272	28,654	32,926
Prepayments	108	–	108
Cash and cash equivalents	4,037	–	4,037
	10,045	28,654	38,699
Total assets	97,272	(6,076)	91,196
Current liabilities			
Trade and other payables	1,550	–	1,550
Bank borrowings	1,500	–	1,500
Amounts due to subsidiaries	30		30
Income tax payable	105	–	105
	3,185	–	3,185
Non-current liabilities			
Bank borrowings	7,000	–	7,000
Total liabilities	10,185	–	10,185
Total equity			
Share capital	37,554	–	37,554
Retained earnings	49,533	(6,076)	43,457
	87,087	(6,076)	81,011
Total equity and liabilities	97,272	(6,076)	91,196

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Changes in accounting policies* (continued)

(D) Impact on the consolidated statement of comprehensive income of the Group for the year ended 31 December 2017 (last financial year reported under FRS)

	2017 (FRS) $'000	SFRS(I) 15 Adjustments $'000	2017 (SFRS(I)) $'000
Revenue	71,268	9,406	80,674
Other operating income	1,136	–	1,136
Employee benefits expenses	(43,130)	–	(43,130)
Interest on bank borrowings	(245)	–	(245)
Depreciation and amortisation expenses	(2,831)	–	(2,831)
Impairment of goodwill	(61)	–	(61)
Other operating expenses	(13,832)	(9,406)	(23,238)
Profit before tax	12,305	–	12,305
Tax expense	(1,732)	–	(1,732)
Profit for the financial year, net of tax	10,573	–	10,573

Notes to the reconciliations:

SFRS(I) 1 *First time adoption of SFRS(I)*

The Group has elected to set the cumulative exchange differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, exchange translation reserve was increased and retained earnings was correspondingly decreased by $11,637,000 as at 1 January 2017.

SFRS(I) 15 *Revenue from contracts with customers*

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018. The changes arising from the adoption of SFRS(I) 15 have been applied retrospectively.

There is no significant impact to arise from the adoption of SFRS(I) 15 application, except for disbursements. Disbursements are expenses that are incurred by the Group while performing work for the customers. The customer will reimburse the Group for some or all of the disbursements. Before the adoption of SFRS(I) 15, the Group recognised certain reimbursements for out-of-pocket expenses as a reduction of the associated costs. Under SFRS(I) 15, the Group is the principal in these situations because it controls the specified good or service before it transfers to the customer and recognises the reimbursements as disbursements revenue on a gross basis.

On the adoption of SFRS(I) 15, the Group recorded an adjustment to increase revenue with a corresponding increase in other operating expenses by $9,406,000 for the financial year ended 31 December 2017. No impact on the profit before tax and profit after tax for the both financial years upon the adoption of the standard.

Under SFRS(I) 15, revenue recognised prior to the date on which it is invoiced to the customer is recognised as unbilled receivable. This balance was previously recognised as part of amount due to customers for work-in-progress (now contract liability) and so has been reclassified.

As a result, the Group recognised an adjustment to increase unbilled receivables by $2,891,000, with a corresponding adjustment to increase contract liabilities with the same amount on 1 January 2017. There was no impact on the consolidated statement of comprehensive income as a result of these reclassifications.

The Group's balance sheet as at 31 December 2017 was restated, resulting in the recognition of unbilled receivables of $1,589,000. Contract liabilities increased with the same amount, and the reclassification adjustments did not impact the consolidated statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Changes in accounting policies* (continued)

SFRS(I) 9 Financial instruments

On 1 January 2018, the Group adopted SFRS(I) 9 *Financial instruments*, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

On the adoption of SFRS(I) 9, management has assessed that Australian Dollar denominated redeemable preference shares issued by Boardroom Holdings Australia Pty Ltd to Boardroom Limited, which is previously accounted for as cost of investment in the subsidiary amounting to $34,730,000, to be accounted as a debt instrument at amortised cost.

Management has performed the SPPI test and business model test and concluded that the redeemable preference shares to be measured at amortised cost. As a result, the cost of investment has been reclassified as a financial asset at amortised cost and revalued at closing rates at prevailing reporting dates.

As at 1 January 2018, a revaluation loss of $6,076,000 is recognized and adjusted directly to the opening retained earnings of the Company and the Group upon adoption of SFRS(I) 9. At Group level, the translation of Boardroom Australia resulted in the same amount of $6,076,000 recognised in foreign currency translation reserve.

Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

Upon adoption of SFRS(I) 9, management has applied the simplified approach in calculating expected credit losses ("ECL") for trade receivables where historical default rates over the expected life of the trade receivables are derived and are adjusted for forward-looking estimates. There was no material impact to the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 *Standards issued but not yet effective*

Description	Effective for annual periods beginning on or after
SFRS(I) 16 *Leases*	1 January 2019
SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
SFRS(I) 17 *Insurance Contracts*	1 January 2021
SFRS(I) 10, SFRS(I) 1-28 *Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of "low value" assets and short-term leases. The standard is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise 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). Lessees will be required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening revenue reserve at the date of initial application, 1 January 2019.

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(a) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or

(b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before 1 January 2019.

In addition, the Group plans to elect the following practical expedients:

(a) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;

(b) to apply the exemption not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and

(c) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollars ("SGD" or "$"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	–	3 to 5 years
Office machinery	–	5 years
Motor vehicles	–	5 years
Furniture, fittings & leasehold improvements	–	3 to 6 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(i) *Computer software*

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on straight-line basis over their useful lives of 3 to 10 years.

(ii) *Customer relationships*

Customer relationships were acquired in business combinations. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Customer relationships have a finite useful life and are amortised over the period of expected contract period of 5 to 19.6 years on a straight-line basis.

(iii) *Brand name*

Brand name was acquired in a business combination. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Brand name has a finite useful life and is amortised over the period of expected estimated useful life of 5 years on a straight-line basis.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 *Impairment of non-financial assets* (continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 *Associates and joint ventures*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate and joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The profit or loss reflects the share of results of operations of the associates and joint ventures. Distributions received from associates and joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains or losses resulting from transactions between the Group and the associates and joint ventures are eliminated to the extent of the interest in the investments.

When the Group's share of losses in an associate and joint venture equals or exceeds its interest in the investment, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The subsequent measurement for classification of debt instruments is as follow:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Financial instruments* (continued)

(c) *Derivative financial instruments*

The Group enters into cross currency interest rate swap ("CCIRS") to manage its exposure to foreign exchange rate risks. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates its derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

(i) there is an economic relationship between the hedged item and the hedging instrument;

(ii) the effect of credit risk does not dominate the value changes that result from that economic relationship; and

(iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other operating income or expenses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Financial instruments* (continued)

(c) *Derivative financial instruments* (continued)

Cash flow hedges (continued)

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and unbilled receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, bank deposits and any highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 *Government grants*

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.15 *Borrowing costs*

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. The Company and the Group allow the accumulation of annual leave in accordance to the respective countries' local human resource policies and regulation. A provision is made for the estimated liability for the annual leave as a result of services rendered by employees up to the balance sheet date. Any unconsumed leave as at balance sheet date will be forfeited for subsidiaries that do not allow the accumulation of annual leave.

(c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity.

2.17 *Operating leases*

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 *Revenue recognition*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Group recognises revenue from the following major sources:

(a) Rendering of services

Share registry service

The Group provides services predominately to public listed corporations. Under share registry services, the services provided include acting as share registrar, unit registrar, share transfer agent, warrant agent, bond agent, employee equity plan administration, voting, meeting services, shareholders analytics, investor solicitation, and transfer agency. Revenue for share registry service is recognised at a point in time, upon completion of the services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 *Revenue recognition* (continued)

(a) Rendering of services (continued)

Corporate secretarial services

The Group provides corporate secretarial services mainly to private limited companies and to public listed corporations. Services under corporate secretarial include acting as Group secretary and provision of corporate secretarial consultancy, advisory, assistance and support.

The performance obligations of services are satisfied over time because the customer simultaneously receives and consumes the benefits. Revenue is recognised over time, based on the actual hours incurred to date as a proportion to the total expected hours.

Unbilled receivable is recognised when the Group has unconditional rights to the consideration for those works performed under the contract but has not yet billed the customer.

A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer or advance billing to the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

Accounting, taxation & payroll services

The Group provides services of book-keeping, preparation of financial statements, payroll and payment processing, goods and services tax accounting, tax advisory and human resource advisory.

The performance obligations of services are satisfied over time because the customer simultaneously receives and consumes the benefits. Revenue is recognised over time, based on the actual hours incurred to date as a proportion to the total expected hours.

Unbilled receivable is recognised when the Group has unconditional rights to the consideration for those works performed under the contract but has not yet billed the customer.

A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer or advance billing to the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

(b) Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

2.19 *Taxes*

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generate taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 *Taxes* (continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.21 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.22 *Significant accounting estimates and judgements*

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment losses of goodwill

As disclosed in Note 4 to the financial statements, the recoverable amounts of the cash-generating units which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 4 to the financial statements.

The carrying amount of the goodwill as at 31 December 2018 is $84,573,000 (FY17: $46,143,000).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 *Significant accounting estimates and judgements* (continued)

(a) Key sources of estimation uncertainty (continued)

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's unbilled receivables and trade receivables are disclosed in Note 10 and Note 11 respectively.

The carrying amount of trade receivables as at 31 December 2018 is $20,788,000. (31 December 2017: $17,767,000 and 1 January 2017: $14,659,000)

(b) Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. PROPERTY, PLANT AND EQUIPMENT

	Computers $'000	Office machinery $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Company				
Cost				
At 1 January 2017	892	61	739	1,692
Additions	142	9	–	151
At 31 December 2017 and 1 January 2018	1,034	70	739	1,843
Additions	27	41	147	215
Disposals	(25)	–	–	(25)
At 31 December 2018	1,036	111	886	2,033
Accumulated depreciation				
At 1 January 2017	480	51	666	1,197
Depreciation charge for the financial year	120	5	32	157
At 31 December 2017 and 1 January 2018	600	56	698	1,354
Depreciation charge for the financial year	148	7	42	197
Disposals	(25)	–	–	(25)
At 31 December 2018	723	63	740	1,526
Net carrying amount				
At 31 December 2018	313	48	146	507
At 31 December 2017	434	14	41	489
At 1 January 2017	412	10	73	495

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Computers $'000	Office machinery $'000	Motor vehicles $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Group					
Cost					
At 1 January 2017	4,090	1,028	35	4,194	9,347
Exchange differences	(27)	(5)	1	(51)	(82)
Additions	1,473	34	–	222	1,729
Disposals	(86)	(4)	–	(52)	(142)
At 31 December 2017 and 1 January 2018	5,450	1,053	36	4,313	10,852
Exchange differences	(105)	(41)	1	(39)	(184)
Additions	428	72	82	738	1,320
Acquisition of subsidiary	338	48	11	80	477
Reclassification	(646)	–	–	–	(646)
Disposals	(230)	(37)	–	(3)	(270)
At 31 December 2018	5,235	1,095	130	5,089	11,549
Accumulated depreciation					
At 1 January 2017	3,181	719	14	3,461	7,375
Exchange differences	(27)	(5)	1	(49)	(80)
Depreciation charge for the financial year	525	70	7	236	838
Disposals	(86)	(4)	–	(50)	(140)
At 31 December 2017 and 1 January 2018	3,593	780	22	3,598	7,993
Exchange differences	(78)	(24)	–	(29)	(131)
Depreciation charge for the financial year	819	67	13	413	1,312
Reclassification	(76)	–	–	–	(76)
Disposals	(225)	(14)	–	(3)	(242)
At 31 December 2018	4,033	809	35	3,979	8,856
Net carrying amount					
At 31 December 2018	1,202	286	95	1,110	2,693
At 31 December 2017	1,857	273	14	715	2,859
At 1 January 2017	909	309	21	733	1,972

4. INTANGIBLE ASSETS

	Computer software $'000
Company	
Cost	
At 1 January 2017	1,003
Additions	89
At 31 December 2017 and 1 January 2018	1,092
Additions	8
At 31 December 2018	1,100
Accumulated amortisation	
At 1 January 2017	746
Amortisation for the financial year	110
At 31 December 2017 and 1 January 2018	856
Amortisation for the financial year	138
At 31 December 2018	994
Net carrying amount	
At 31 December 2018	106
At 31 December 2017	236
At 1 January 2017	257

4. INTANGIBLE ASSETS (continued)

	Goodwill on consolidation $'000	Customer relationships $'000	Computer software $'000	Brand name $'000	Total $'000
Group					
Cost					
At 1 January 2017	48,063	25,473	8,047	284	81,867
Exchange differences	(1,647)	(107)	(13)	(1)	(1,768)
Additions	–	167	1,658	–	1,825
Acquisition of subsidiary	576	1,921	–	–	2,497
Disposal	–	–	(1)	–	(1)
At 31 December 2017and 1 January 2018	46,992	27,454	9,691	283	84,420
Exchange differences	(1,711)	(2,311)	(571)	(21)	(4,614)
Additions	–	–	1,812	–	1,812
Acquisition of subsidiaries	40,140	12,730	309	–	53,179
Reclassification	–	–	646	–	646
Disposal	–	–	(10)	–	(10)
At 31 December 2018	85,421	37,873	11,877	262	135,433
Accumulated amortisation and impairment					
At 1 January 2017	784	8,547	3,313	284	12,928
Exchange differences	4	(41)	(8)	(1)	(46)
Amortisation for the financial year	–	1,401	592	–	1,993
Impairment loss	61	–	–	–	61
Disposal	–	–	(1)	–	(1)
At 31 December 2017 and 1 January 2018	849	9,907	3,896	283	14,935
Exchange differences	(1)	(808)	(178)	(21)	(1,008)
Amortisation for the financial year	–	2,015	516	–	2,531
Reclassification	–	–	76	–	76
Disposal	–	–	(10)	–	(10)
At 31 December 2018	848	11,114	4,300	262	16,524
Net carrying amount					
At 31 December 2018	84,573	26,759	7,577	–	118,909
At 31 December 2017	46,143	17,547	5,795	–	69,485
At 1 January 2017	47,279	16,926	4,734	–	68,939

4. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill

Goodwill has been allocated to five cash-generating units ("CGU") or group of CGUs for impairment testing. The carrying amounts of goodwill allocated to each CGU are as follows:

	Note	Group		
		31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Australia		20,060	20,940	20,429
Hong Kong		18,833	18,498	20,174
Malaysia	4.1	43,205	4,230	4,136
Singapore		2,475	2,475	2,475
China		–	–	65
		84,573	46,143	47,279

4.1 *Goodwill arising from Malaysia*

For the purpose of impairment testing, provisional goodwill arising from Malaysia has been allocated to the region's CGUs (operating divisions) as follows:

	Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Company secretarial services	20,763	4,230	4,136
Accounting and payroll services	14,692	–	–
Share registrar services	6,633	–	–
Issuing house services	1,117	–	–
	43,205	4,230	4,136

The recoverable amounts have been determined based on value in use calculations using estimated future cash flows approved by the management. The discount rate applied to the cash flow projections and the forecasted terminal growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	Group		
	31.12.2018	31.12.2017	1.1.2017
Terminal growth rates	2% to 3%	2% to 3%	2%
Discount rates	10% to 12%	9% to 13%	8% to 13%

4. INTANGIBLE ASSETS (continued)

Key assumptions used in the value in use calculations

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Discount rates – Discount rates reflect current market assessment of the risks specific to each CGU, regarding the time value of money. This is the benchmark used by management to assess operating performance of the acquired businesses.

Net profitability – Net profitability is based on management's assessment of the margins achieved in the current and prior periods.

Terminal growth rates – The forecasted rates are based on management's assessment of the long-term average growth rates of the acquired businesses.

Sensitivity to changes in assumptions

Management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Customer relationships

Customer relationships relate to the customers data that were acquired as part of the acquisitions of the business of Newreg Pty Ltd in FY11 and of Boardroom Integrate Pty Limited (formerly known as CRA Plan Managers Pty Ltd) in FY12. The average remaining useful lives of these customer relationships are estimated to be 11 years (FY17: 12 years). Amortisation expense is included in the "depreciation and amortisation expenses" line item in profit or loss.

During the financial year, there are additions in customer relationships related to the customers data that were acquired as part of the acquisitions of Corporate Counsel and Symphony companies as disclosed in Note 5. The average remaining useful lives of these customer relationships are estimated to be 10 years.

5. INVESTMENTS IN SUBSIDIARIES

	Company		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Unquoted equity investments, at cost	67,787	89,603	87,903
Impairment losses	(3,110)	(3,110)	(3,110)
	64,677	86,493	84,793

Upon adoption of SFRS(I) 9, an amount of $34,730,000, previously recognised as cost of investment in Boardroom Holdings Australia Pty Ltd, has been accounted as a debt instrument at amortised cost (Note 2.2).

5. INVESTMENTS IN SUBSIDIARIES (continued)

Details of subsidiaries are as follows:

	Name	Country of incorporation/ principal place of business	Carrying value of investment			Percentage of equity held			Principal activities
			31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 %	31.12.2017 %	1.1.2017 %	
*	Boardroom Corporate & Advisory Services Pte. Ltd.	Singapore	4,258	4,258	4,258	100	100	100	Corporate secretarial and share registry services
*	Boardroom Business Solutions Pte. Ltd.	Singapore	1,198	1,198	1,198	100	100	100	Accounting, taxation & payroll services
*	Aspire CS Pte. Ltd.	Singapore	–	–	–	100	100	100	Corporate secretarial services
*	Boardroom Executive Services Pte. Ltd.	Singapore	2,000	1,700	–	100	100	100	Share Plan Administration, payroll services & employee benefits
#	Boardroom Corporate Services (HK) Limited	Hong Kong	19,750	19,750	19,750	100	100	100	Corporate secretarial, accounting, taxation & payroll services
#	Boardroom Corporate Secretaries (HK) Limited (1)	Hong Kong	–	–	–	100	100	100	Corporate secretarial services
+	BL Services Limited (1)	British Virgin Islands/ Hong Kong	–	–	–	100	100	100	Dormant
#	Boardroom Share Registrars (HK) Limited (1)	Hong Kong	–	–	–	100	100	100	Share registry services
#	Boardroom Trustee Limited (1)	Hong Kong	–	–	–	100	100	100	Dormant
#	Boardroom (Malaysia) Sdn. Bhd.	Malaysia	17,493	4,879	4,879	100	100	100	Investment holding
#	Boardroom Corporate Services (KL) Sdn. Bhd. (2)	Malaysia	–	–	–	100	100	100	Corporate secretarial, investor relations, other allied services and investment holding
#	Boardroom Corporate Services (Johor) Sdn. Bhd. (2)	Malaysia	–	–	–	100	100	100	Corporate secretarial and accounting services
#	Boardroom Corporate Services (Penang) Sdn. Bhd. (2)	Malaysia	–	–	–	100	100	100	Corporate secretarial and accounting services

5. INVESTMENTS IN SUBSIDIARIES (continued)

	Name	Country of incorporation/ principal place of business	Carrying value of investment			Percentage of equity held			Principal activities
			31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 %	31.12.2017 %	1.1.2017 %	
#	Boardroom Communications Sdn. Bhd. (2)	Malaysia	–	–	–	–	–	100	Dormant
#	Boardroom Nominees (Tempatan) Sdn. Bhd. (3)	Malaysia	–	–	–	100	100	100	Dormant
#	Boardroom Business Solution Sdn. Bhd. (2)	Malaysia	–	–	–	100	100	100	Accounting, taxation & payroll and consultancy services
#	Symphony Corporatehouse Sdn Bhd. (2)	Malaysia	–	–	–	100	–	–	Corporate secretarial, accounting & payroll services
#	SKY Corporate Services Sdn Bhd. (14)	Malaysia	–	–	–	100	–	–	Consultancy services
#	Symphony Share Registrars Sdn Bhd. (2)	Malaysia	–	–	–	100	–	–	Share registry services
#	Malaysian Issuing House Sdn Bhd. (2)	Malaysia	–	–	–	100	–	–	Administering the process of share issue
*	Boardroom China Holdings Pte. Ltd.	Singapore	–	–	–	100	100	100	Investment holding
@	Boardroom China Limited (4)	China	–	–	–	100	100	100	Business advisory and consultancy services
@	Boardroom Beijing Limited (5)	China	–	–	–	100	100	100	Business advisory and consultancy services
^	Boardroom Holdings Australia Pty Ltd	Australia	19,978	54,708	54,708	100	100	100	Investment holding
^	Newreg Pty Ltd (6)	Australia	–	–	–	100	100	100	Investment holding
^	Registries Holdings Australia Pty Limited (7)	Australia	–	–	–	100	100	100	Investment holding
^	Registries Pty Limited (8)	Australia	–	–	–	100	100	100	Investment holding
^	Boardroom Pty Limited (7)	Australia	–	–	–	100	100	100	Share registry and related services
^	Boardroom Financial Services Pty Limited (10)	Australia	–	–	–	100	100	100	Registry related services

5. INVESTMENTS IN SUBSIDIARIES (continued)

	Name	Country of incorporation/ principal place of business	Carrying value of investment			Percentage of equity held			Principal activities
			31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 %	31.12.2017 %	1.1.2017 %	
^	Boardroom (Victoria) Pty Limited (10)	Australia	–	–	–	100	100	100	Share registry and related services
^	Boardroom Integrate Pty Limited (6)	Australia	–	–	–	100	100	100	Consultancy services
^	Boardworx Australia Pty Limited (10)	Australia	–	–	–	100	100	–	Corporate secretarial services
^	Corporate Counsel Pty Limited (10)	Australia	–	–	–	100	–	–	Corporate secretarial services
#	Asialink Holdings Ltd (Seychelles) (11)	Seychelles	–	–	–	100	100	100	Nominee services
#	Asialink Holdings Ltd (Cook Islands) (11)	Cook Islands	–	–	–	100	100	100	Nominee services
#	Kirkliston Limited (12)	Hong Kong	–	–	–	100	100	100	Nominee services
#	Green Joy Holdings Limited (11)	British Virgin Islands	–	–	–	100	100	100	Nominee services
#	Asialink Trust Ltd (12)	British Virgin Islands	–	–	–	100	100	100	Trust services
#	ATL Limited (12)	Nevis	–	–	–	100	100	100	Nominee services
#	Knapdale Ltd (13)	British Virgin Islands	–	–	–	100	100	100	Nominee services
#	Kirkcowan Ltd (13)	British Virgin Islands	–	–	–	100	100	100	Nominee services
#	Callumberg Ltd (13)	British Virgin Islands	–	–	–	100	100	100	Nominee services
#	Thornpool Ltd (13)	British Virgin Islands	–	–	–	100	100	100	Nominee services
#	Jackaroo Ltd (13)	British Virgin Islands	–	–	–	100	100	100	Nominee services
#	Karalon Ltd (13)	Hong Kong	–	–	–	100	100	100	Nominee services
#	Abagtha Ltd (13)	Hong Kong	–	–	–	100	100	100	Nominee services
			64,677	86,493	84,793				

5. INVESTMENTS IN SUBSIDIARIES (continued)

+ Not required to be audited by the law in the country of incorporation
* Audited by Ernst & Young LLP, Singapore
# Audited by member firm of Ernst & Young Global in the respective countries
@ Audited by Shanghai Qiuxin Certified Public Accountant Co. Ltd
^ Audited by Deloitte Touche Tohmatsu Limited, Australia

(1) Subsidiary of Boardroom Corporate Services (HK) Limited
(2) Subsidiary of Boardroom (Malaysia) Sdn. Bhd.
(3) Subsidiary of Boardroom Corporate Services (KL) Sdn. Bhd.
(4) Subsidiary of Boardroom China Holdings Pte. Ltd.
(5) Subsidiary of Boardroom China Limited
(6) Subsidiary of Boardroom Holdings Australia Pty Limited
(7) Subsidiary of Newreg Pty Ltd
(8) Subsidiary of Registries Holdings Australia Pty Limited
(9) Subsidiary of Registries Pty Limited
(10) Subsidiary of Boardroom Pty Limited
(11) Subsidiary of BL Services Limited
(12) Subsidiary of Asialink Holdings Ltd (Seychelles)
(13) Subsidiary of Green Joy Holdings Limited
(14) Subsidiary of Symphony Corporatehouse Sdn. Bhd.

Acquisition of subsidiaries

(i) Corporate Counsel Pty Limited ("Corporate Counsel")

On 31 January 2018, the Group's wholly-owned subsidiary in Australia, Boardroom Pty Limited acquired the entire issued share capital of Corporate Counsel for a consideration of $2,429,548. Following completion of the acquisition, Corporate Counsel became an indirect wholly-owned subsidiary of the Group.

	Fair value recognised on acquisition $'000
Intangible assets	2,430
Deferred tax liabilities	(729)
Total identifiable net assets at fair value	1,701
Goodwill arising from acquisition	729
	2,430
Total consideration transferred for the acquisition	2,430
Total cash outflow on acquisition	2,430

Goodwill arising from acquisition

The goodwill of $729,000 comprises the value of strengthening the Group's operational footprint and presence in Australia. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impact of the acquisition on profit or loss

From the date of acquisition, the subsidiary has contributed $1,054,000 of revenue and $389,000 to the Group's profit for the year.

Had the acquired business been consolidated from 1 January 2018, the contribution to the Group's revenue and consolidated profit for the year ended 31 December 2018 would be $1,150,000 and $424,000 respectively.

5. INVESTMENTS IN SUBSIDIARIES (continued)

Acquisition of subsidiaries (continued)

(ii) Symphony group of companies

On 28 August 2018, the Group's wholly-owned subsidiary in Malaysia, Boardroom Malaysia Sdn. Bhd. acquired the entire issued share capital of each of (i) Symphony Corporatehouse Sdn. Bhd., which in turn wholly owns Sky Corporate Services Sdn. Bhd., (ii) Symphony Share Registrars Sdn. Bhd. and (iii) Malaysian Issuing House Sdn. Bhd., collectively (the "Symphony companies"), for a consideration of $53,604,229. Upon the acquisitions, the Symphony companies became indirect wholly-owned subsidiaries of the Group.

The provisional fair value of the identifiable assets and liabilities as at the acquisition date were:

	Fair value recognised on acquisition $'000
Property, plant and equipment	477
Intangible assets	10,609
Short term investments	940
Trade and other receivables	3,526
Deferred tax assets	293
Cash and cash equivalents	3,634
	19,479
Deferred tax liabilities	(2,473)
Trade and other payables	(2,813)
	(5,286)
Total identifiable net assets at fair value	14,193
Provisional goodwill arising from acquisition	39,411
	53,604
Consideration transferred for the acquisition	
Cash paid	41,124
Equity instruments issued (16,000,000 ordinary shares of Boardroom Limited)	12,480
Total consideration transferred	53,604
Effect of the acquisition on cash flows	
Consideration settled in cash	41,124
Less: cash and cash equivalents of subsidiaries acquired	(3,634)
Net cash outflow on acquisition	37,490

Equity instruments issued as part of consideration transferred

Boardroom Limited issued 16,000,000 ordinary shares with a fair value of $0.78 each. The fair value of these shares is the published price of shares at the acquisition date.

5. INVESTMENTS IN SUBSIDIARIES (continued)

Acquisition of subsidiaries (continued)

(ii) Symphony group of companies (continued)

Transaction costs

Transaction costs related to the acquisition of $397,290 have been recognised in the "Other operating expenses" line item in the Group's profit or loss for the year ended 31 December 2018.

Trade and other receivables acquired

Trade and other receivables acquired comprise of trade receivables with fair values of $3,526,000 and gross amounts of $4,424,000, respectively.

Provisional accounting for the acquisition

As at 31 December 2018, the goodwill amounting to $39,411,000 arising from the acquisition of Symphony Companies has been determined on a provisional basis as the final results of the independent valuation have not been finalised by the date the financial statements were authorised for issue. Goodwill arising from this acquisition and its allocation, customer relationships, the carrying amount of deferred revenue, deferred tax liability and amortisation of the customer relationships will be adjusted accordingly on a retrospective basis when the PPA exercise is finalised.

The goodwill of $39,411,000 comprises the value of strengthening the Group's operational footprint and presence in Malaysia, and cost reduction synergies expected to arise from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impact of the acquisition on profit or loss

From the date of acquisition, the subsidiaries have contributed $4,403,000 of revenue and $481,000 to the Group's profit for the year.

Had the acquired business been consolidated from 1 January 2018, the contribution to the Group's revenue and consolidated profit for the year ended 31 December 2018 would be $14,457,000 and $2,389,000 respectively.

6. INVESTMENT IN ASSOCIATE

	2018 $'000
Unquoted equity shares, at cost	3,283
Group's share of total comprehensive income	5
Exchange differences	(129)
Carrying amount of interest in investee at end of the year	3,159

Details of the associate is as follow:

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2018	2017
Held through subsidiary:				
Definitiv Group Pty Ltd [(1)]	Australia	Payroll services	31.5	–

[(1)] Audited by Deloitte Touche Tohmatsu Limited, Australia and has local statutory financial year ending 30 June.

6. INVESTMENT IN ASSOCIATE (continued)

Boardroom Pty Ltd ("Boardroom Australia"), a wholly-owned subsidiary of Boardroom Limited, entered into a subscription agreement (the "Agreement") with Definitiv Group Pty Ltd ("Definitiv") on 28 February 2018, giving Boardroom Australia the right to subscribe for ordinary shares in Definitiv in two tranches ("Subscription Shares").

At the same time, Boardroom Australia entered into a call option with Definitiv's largest shareholder, for Boardroom Australia to acquire from the shareholder 324 ordinary shares in Definitiv ("Option Shares") at a total consideration of $789,360.

Definitiv is a company incorporated in Australia and is principally engaged in the provision of software to support payroll and human resource services.

Pursuant to the Agreement, Boardroom Australia subscribed for:

(i) 525 Subscription Shares representing 11.5% of Definitiv's post subscription issued share capital for a cash consideration of $1,260,900 on 28 February 2018 ("Tranche 1"); and

(ii) 865 Subscription Shares representing 15.9% of Definitiv's post subscription issued share capital for a cash consideration of $1,233,108 on 31 August 2018 ("Tranche 2").

Boardroom Australia also exercised the call option and acquired the Option Shares at the time of the subscription of Tranche 2.

The aggregate consideration for the subscription of Tranche 1 and Tranche 2 and the acquisition of the Option Shares was $3,283,368 (the "Consideration") and was arrived at on arm's length willing-buyer willing-seller basis, and in arriving at the Consideration, the following factors, amongst others, were taken into account:

(a) Definitiv's management accounts as at 30 June 2017 and reported financial statements for the financial year ended 30 June 2018;

(b) the current market conditions in the payroll and human resources services industry; and

(c) the business prospects of Definitiv, taking into account various factors, such its client profile and client reach.

The Consideration was funded by internal resources.

At the time of entry into the Agreement, based on Definitiv's management accounts as at 30 June 2017, its net asset value was approximately $1,284,507.

Since 31 August 2018, Definitiv became an associated company of the Group.

7. DEFERRED TAX ASSETS/(LIABILITIES)

	Company			Group				
	Balance sheet			Consolidated balance sheet			Consolidated statement of comprehensive income	
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	2018 $'000	2017 $'000
Deferred tax assets								
Provisions	–	–	–	713	142	28	(287)	(24)
Unutilised tax losses	–	–	–	79	77	232	–	–
Unutilised capital allowance	9	9	–	13	80	–	–	–
	9	9	–	805	299	260	(287)	(24)
Deferred tax liabilities								
Acquired intangibles	–	–	–	(7,536)	(5,175)	(4,640)	(376)	(17)
Differences in depreciation for tax purposes	–	–	(143)	(27)	(86)	(196)	(28)	(135)
	–	–	(143)	(7,563)	(5,261)	(4,836)	(404)	(152)
Deferred income tax (Note 23)							(691)	(176)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting year, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the subsidiary as the Company is able to control the timing of the reversal of the temporary differences.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $11,694,000 (FY17: $8,920,000). The deferred tax liability is estimated to be $1,169,000 (FY17: $892,000).

Unrecognised temporary differences relating to M&A allowance

The acquisition of the Symphony companies by the Group is a qualifying share acquisition that is eligible for tax allowance capped at S$10 million under the Mergers & Acquisitions ("M&A") scheme in Singapore. The M&A allowance is allowed over 5 years on a straight-line basis. Any unabsorbed M&A allowance is not available for transfer under the group relief system or carry back to offset against Boardroom Limited's assessable income for the preceding year.

Unabsorbed M&A allowance may be carried forward to offset the future taxable income of Boardroom Limited, subject to the Company satisfying the shareholding test as set out in section 37L (21) of the Income Tax Act. As at the end of the reporting period, the Group has a balance of M&A allowance brought forward of S$8 million to be written down over the remaining 4 years, subject to the Company meeting the qualifying conditions under the M&A scheme for each year of assessment and continuing to own more than 50% of the ordinary shares of the Symphony companies throughout the writing-down period. No deferred tax asset has been recognised in respect of the unabsorbed M&A allowance due to the unpredictability of future income streams.

8. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Amounts due from subsidiaries			
Investment in redeemable preference shares of a subsidiary	26,518	–	–
Loans to subsidiaries:			
SGD loan at 2.45% p.a.	–	3,190	3,190
MYR loan at average 5.44% p.a.	41,124	–	–
Amounts due from subsidiaries – non-trade	3,081	4,641	3,577
	70,723	7,831	6,767
Less: Allowance for expected credit losses	(242)	(3,559)	(3,336)
Total amounts due from subsidiaries	70,481	4,272	3,431
Current	33,145	4,272	3,431
Non-current	37,336	–	–
Total current and non-current	70,481	4,272	3,431
Amounts due to subsidiaries			
– Trade	(64)	–	–
– Non-trade	(396)	(30)	(67)
Total amounts due to subsidiaries	(460)	(30)	(67)

Investment in redeemable preference shares of a subsidiary

As at 31 December 2018, there were 27,500,000 redeemable preference shares ("RPS") invested in a subsidiary, which was previously accounted as cost of investment under FRS framework. The RPS are denominated in Australian Dollar and redeemable on 23 July 2019 and 8 November 2019 respectively over two tranches. The dividend rights are cumulative at 8.5% per annum and the shareholders have no voting rights.

Loans to subsidiaries:

(i) SGD loan at 2.45% p.a.

Loan to a subsidiary bears interest rate at 2.45% per annum in FY2017 (FY16: 2.45%) are unsecured and repayable on demand. The amount has been fully written off during the year.

(ii) MYR loan at average 5.44% p.a.

Loan to a subsidiary bears an average MYR floating interest rate at 5.44% per annum (FY17: Nil, FY2016: Nil), repayable on a half yearly basis at MYR5,680,000 for each instalment until 28 August 2021. The repayment schedule after 28 August 2021 is to be mutually agreed, in writing, between the lender and borrower.

8. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (continued)

Amounts due from/(to) subsidiaries – trade/non-trade

The trade and non-trade amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

The movement of the allowance accounts used to record the impairment are as follows:

	Company	
	31.12.2017 $'000	1.1.2017 $'000
Amounts due from subsidiaries – nominal amounts	3,559	3,336
Impairment of amounts due from subsidiaries		
At 1 January	(3,336)	–
Charge for the year	(223)	(3,336)
At 31 December	(3,559)	(3,336)
Net amounts due from subsidiaries	–	–

Expected credit losses

The movement in allowance for expected credit losses of amount due from subsidiaries computed based on lifetime ECL are as follows:

	Company 31.12.2018 $'000
Movement in allowance accounts:	
At 1 January	(3,559)
Written off	3,317
At 31 December	(242)

9. SHORT-TERM INVESTMENTS

	Group	
	2018 $'000	2017 $'000
Financial assets measured at FVTPL		
Quoted equity securities	57	–
Unquoted equity securities	878	–
	935	–

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

Unquoted equity securities pertain to investments in Islamic money market funds that earn interest based on the performance of the funds. The carrying amounts of investment in unit trusts approximate fair values due to relative short term nature of these balances and insignificant risk of change in value.

Changes in the fair value of financial assets at fair value through profit or loss, amounting to $5,479 (2017: Nil) have been included in profit or loss for the year as part of "other operating expenses".

10. UNBILLED RECEIVABLES AND CONTRACT LIABILITIES

	Group		
	31.12.2018 $'000	31.12.2017 $'000 (Restated)	1.1.2017 $'000 (Restated)
Unbilled receivables	1,835	1,696	2,936
Contract liabilities	4,421	3,966	5,270

Unbilled receivables primarily relate to the Group's unconditional rights to consideration for work completed but not yet billed at reporting date.

Management estimates the loss allowance on unbilled receivables at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the service industry. None of the unbilled receivables at the end of the reporting period is past due.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers as retainer fees. Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

	Group	
	31.12.2018 $'000	31.12.2017 $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	3,408	4,791

11. TRADE AND OTHER RECEIVABLES

	Company			Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Trade receivables	–	–	–	24,053	19,584	15,912
Less:						
Allowance for expected credit losses	–	–	–	(3,265)	(1,817)	(1,253)
	–	–	–	20,788	17,767	14,659
Add:						
Sundry receivables	30	35	20	862	738	564
Management fee receivable from subsidiaries	–	831	664	–	–	–
Deposits	780	762	764	1,374	1,299	1,475
Interest receivable	–	–	–	8	10	7
Total trade and other receivables	810	1,628	1,448	23,032	19,814	16,705
Add:						
Amounts due from subsidiaries (Note 8)	70,481	4,272	3,431	–	–	–
Cash and cash equivalents (Note 12)	4,202	4,037	5,386	24,622	20,899	20,185
Total financial assets carried at amortised costs	75,493	9,937	10,265	47,654	40,713	36,890

11. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables

Majority of the invoices are due on presentation. The Group does not identify any specific concentrations of credit risk as the amounts resemble a large number of receivables spread over a large number of clients.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $14,683,000 as at 31 December 2017 and $12,011,000 as at 1 January 2017 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	31.12.2017 $'000	1.1.2017 $'000
Past due 1 day to 3 months	11,037	9,235
Past due 3 to 6 months	1,542	1,484
Past due over 6 months	2,104	1,292
	14,683	12,011

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	31.12.2017 $'000	1.1.2017 $'000
Trade receivables – nominal amounts	2,248	1,546
Impairment of trade receivables		
Beginning balance	(1,253)	(463)
Exchange differences	35	(16)
Impairment made (Note 22)	(795)	(1,195)
Impairment utilised	38	108
Impairment written back (Note 22)	158	313
Ending balance	(1,817)	(1,253)
Net trade receivables	431	293

The receivables that are individually determined to be impaired at the balance sheet date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group 31.12.2018 $'000
Movement in allowance accounts:	
Beginning balance	(1,817)
Exchange differences	32
Acquisition of subsidiary	(933)
Impairment made (Note 22)	(1,398)
Impairment utilised	(72)
Impairment written back (Note 22)	923
Ending balance	(3,265)

12. CASH AND CASH EQUIVALENTS

	Company			Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Fixed deposits	–	–	–	1,411	3,640	2,927
Cash and bank balances	4,202	4,037	5,386	23,211	17,259	17,258
	4,202	4,037	5,386	24,622	20,899	20,185

Fixed deposits are placed with financial institutions and earned interest at the rates ranging from 2.50% to 3.50% (FY17: 0.60% to 3.20%) per annum. The fixed deposits have maturity terms of 1 day to 30 days (FY17: 1 day to 30 days) from the balance sheet date. Fixed deposits can be readily converted into known amount of cash and subject to insignificant risk of change in values.

Clients' monies held under trust represent the following:

	Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Held under trust			
Clients' bank accounts – contra	68,340	28,446	24,078
Clients' ledger balances – contra	(68,340)	(28,446)	(24,078)
	–	–	–

13. BANK BORROWINGS

	Company and Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Current:			
Term loan (a)	7,000	1,500	1,500
Term loan (b)	3,800	–	–
	10,800	1,500	1,500
Non-current:			
Term loan (a)	–	7,000	8,500
Term loan (b)	37,450	–	–
	37,450	7,000	8,500
Total bank borrowings	48,250	8,500	10,000

The Group and the Company has two principal bank loans:

(a) This term loan, which commenced on 29 October 2014, is unsecured, repayable in 9 semi-annual instalments at $750,000 for each instalment and a final instalment of $6,250,000 is due on 5 December 2019. The loan bears interest at 2.87% to 3.37% per annum (December 31, 2017: 2.27% to 2.87%, January 1, 2017: 2.22% to 2.85%).

(b) This term loan, which commenced on 28 August 2018, is unsecured, repayable on a semi-annual basis at SGD $1,900,000 for each instalment and a final instalment of $24,150,000 is due on 28 August 2023. The loan bears interest at 3.09% to 3.39% per annum.

14. TRADE AND OTHER PAYABLES

	Company			Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Trade and other payables:						
Trade payables	78	2	34	6,431	5,343	5,178
Accrued operating expenses	1,809	1,389	948	11,532	9,179	7,460
Other payables	162	159	79	2,067	779	583
Total trade and other payables	2,049	1,550	1,061	20,030	15,301	13,221
Add/(less):						
GST receivable/(payable)	–	80	98	(636)	(539)	(501)
	2,049	1,630	1,159	19,394	14,762	12,720
Add:						
Amounts due to subsidiaries (Note 8)	460	30	67	–	–	–
Bank borrowings (Note 13)	48,250	8,500	10,000	48,250	8,500	10,000
Total financial liabilities carried at amortised cost	50,759	10,160	11,226	67,644	23,262	22,720

Trade and other payables are non-interest bearing. Trade payables are generally on 30 days credit term (FY17: 30 days) while other payables generally have a term of 3 to 6 months (FY17: 3 to 6 months).

15. DERIVATIVE LIABILITIES

The contractual or underlying principal amounts of the derivative financial instrument and their corresponding gross negative (derivative financial liability) fair value at the end of the reporting period are analysed below:

	Fair value		
	Contract/ notional amount $'000	Positive fair value $'000	Negative fair value $'000
2018			
Cross currency interest rate swap	41,124	–	109

CCIRS is a transaction in which counterparties exchange principal and interest cash flows in different currencies over a period of time. These contracts are used to manage currency and/or interest rate exposures.

16. PROVISION FOR EMPLOYEES BENEFITS

Provision for employees benefits relates to provision of long term profit sharing incentives provided to senior management of a subsidiary. The incentive plan was implemented to encourage the delivery of long-term growth and shareholder value, and also to retain key talents.

The Group has recorded the expected profit sharing payment, calculated based on exceeded earning targets and classified the instruments as a liability.

17. SHARE CAPITAL

	Company and Group			
	2018	2017	2018	2017
	Number of shares		$'000	$'000
Issued and fully paid:				
At 1 January	193,660,184	193,660,184	37,554	37,554
Issued for acquisition of a subsidiary (Note 5)	16,000,000	–	12,480	–
At 31 December	209,660,184	193,660,184	50,034	37,554

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

As disclosed in Note 5, pursuant to the sale and purchase agreement for the acquisition of Symphony companies, the Company has issued 16,000,000 new shares at an agreed price of $0.865 per share as part of the purchase consideration ("Consideration shares") during the year. The resultant increase in the Company's share capital has been recorded in the financial statements at the fair value of the Consideration shares at the date of completion of the acquisition i.e., quoted price of $0.78 per share.

18. RESERVES

	Company			Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
Exchange translation reserve	–	–	–	3,116	(1,842)	–
Hedge Reserve (OCI)	(247)	–	–	(247)	–	–
Premium paid on acquisition of non-controlling interests	–	–	–	(12,569)	(12,569)	(12,569)
	(247)	–	–	(9,700)	(14,411)	(12,569)

Exchange translation reserve arose from the financial statements of foreign operations whose functional currency are different from that of the Group's presentation currency.

The hedge reserve comprises cash flow hedge reserve and cost of hedging reserve. The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date; and the cost of hedging reserve contains cumulative change in fair value of time value and forward element of CCIRS not designated as hedging instruments in hedge relationships.

The premium paid on acquisition of non-controlling interests are related to the acquisitions of non-controlling interests of Newreg Pty Ltd and Boardroom China Holdings Pte. Ltd. in FY11 and FY13 respectively. For Newreg Pty Ltd's acquisition, the Group paid a cash consideration of $36,715,000 to acquire an additional 66.67% in Newreg Pty Ltd from its non-controlling interests. The difference of $10,808,000 between the consideration and the carrying value of the additional interest acquired was recognised as "Premium paid on acquisition of non-controlling interests" within equity. For Boardroom China Holdings Pte. Ltd.'s acquisition, the Group paid a total consideration of $1,050,000 to acquire the remaining 40% equity interest. The difference of $1,761,000 between the consideration and the negative carrying value of the interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within equity.

19. REVENUE

The Group derives its revenue from the transfer of services over time and at a point in time in the following major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 26).

A disaggregation of the Group's revenue for the year, is as follows:

Segments	Singapore		Malaysia		Hong Kong		Australia		China		Total revenue	
	2018 $'000	2017 $'000 (Restated)	2018 $'000	2017 $'000 (Restated)	2018 $'000	2017 $'000 (Restated)	2018 $'000	2017 $'000 (Restated)	2018 $'000	2017 $'000 (Restated)	2018 $'000	2017 $'000 (Restated)
Major service lines												
Corporate secretarial services	11,532	11,149	6,946	4,398	5,016	4,248	4,737	2,654	296	277	28,527	22,726
Share registry services	9,811	9,898	2,281	619	3,529	2,183	30,115	30,156	–	–	45,736	42,856
Accounting, taxation & payroll services	9,682	8,876	3,236	2,088	2,762	2,500	342	272	1,306	1,356	17,328	15,092
	31,025	29,923	12,463	7,105	11,307	8,931	35,194	33,082	1,602	1,633	91,591	80,674
Timing of transfer of services												
At a point in time	9,811	9,898	2,281	619	3,529	2,183	30,115	30,156	–	–	45,736	42,856
Over time	21,214	20,025	10,182	6,486	7,778	6,748	5,079	2,926	1,602	1,633	45,855	37,818
	31,025	29,923	12,463	7,105	11,307	8,931	35,194	33,082	1,602	1,633	91,591	80,674

Recognition of revenue from of corporate secretarial services, and accounting, taxation and payroll services over time

For the services where the Group satisfies its performance obligations over time, management has determined that an hour-based input method provides a faithful depiction of the Group's performance in transferring services to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the services performed. The measure of progress is based on the hours charged to date multiply the hourly charge rate that management has predetermined.

The management relies on past experience in assessing the estimated hourly charge rate. In making these estimates, management takes into consideration the historical recovery rates of the hourly charge rate incurred in its other similar service contracts.

20. OTHER OPERATING INCOME

	Group 2018 $'000	Group 2017 $'000
Interest income	798	246
Productivity and Innovation Credit cash payout	–	59
Wage and other employment credit scheme	142	225
Government grant	269	334
Other income	151	272
	1,360	1,136

21. EMPLOYEE BENEFITS EXPENSE

	Group 2018 $'000	Group 2017 $'000
Employee benefits expense (including directors):		
Salaries and bonuses	42,684	38,111
Defined contribution expenses	3,926	3,699
Other short-term benefits	2,144	1,320
	48,754	43,130

22. PROFIT BEFORE TAX

	Note	Group 2018 $'000	Group 2017 $'000
Profit before tax has been arrived at after charging/(crediting):			
Allowance for credit impaired losses of trade receivables	11	1,398	795
Amortisation of intangible assets	4	2,531	1,993
Auditor's remuneration			
– Statutory auditor of the Company		191	196
– Statutory auditor of subsidiaries		200	124
Non-audit fee			
– Auditor of the Company		55	–
Depreciation of property, plant and equipment	3	1,312	838
Directors' fee		427	379
Interest expense		1,051	245
Loss on disposal of property, plant and equipment		28	2
Employee benefits expense	21	48,754	43,130
Exchange differences		2,633	50
Operating lease rentals of office premises and equipment		6,196	5,861
Impairment of goodwill		–	61
Reclassification to profit or loss on cash flow hedges			
– Unrealised foreign exchange gains	30	(242)	–
– Interest	30	77	–
– Cost of hedging	30	27	–
Reversal of allowance for impairment of trade receivables	11	(923)	(158)

23. TAX EXPENSE

Major components of tax expense

The major components of tax expense for the financial year ended 31 December 2018 and 2017 are:

	Group	
	2018 $'000	2017 $'000
Consolidated statement of comprehensive income		
Current income tax:		
Current income taxation	2,863	1,953
Over provision in respect of prior years	(190)	(311)
	2,673	1,642
Withholding tax	324	266
Deferred income tax (Note 7):		
Reversal of temporary differences	(641)	(5)
Over provision in respect of prior years	(50)	(171)
	(691)	(176)
Tax expense recognised in profit or loss	2,306	1,732

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 December 2018 and 2017 is as follows:

	Group	
	2018 $'000	2017 $'000
Profit before tax	9,256	12,305
Tax at statutory rate of 17% (FY17: 17%)	1,573	2,092
Income not subject to taxation	(123)	(4)
Non-deductible expenses	777	164
Effect of partial tax exemption and tax relief	(787)	(825)
Difference in foreign tax rates	660	533
Over provision of current taxation in respect of prior years	(190)	(311)
Over provision of deferred taxation in respect of prior years	(50)	(171)
Withholding tax deducted at source	324	266
Others	122	(12)
	2,306	1,732

The tax rates used in computing taxes for entities incorporated in other countries in FY18 and FY17 are as follows:

	2018	2017
Malaysia	24.0%	24.0%
Hong Kong	16.5%	16.5%
Australia	30.0%	30.0%
China	25.0%	25.0%

24. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit for the financial year attributable to owners of the Company of $6,950,000 (FY17: $10,573,000), by the weighted average number of ordinary shares outstanding during the financial year:

	Company and Group	
	2018	2017
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	198,993,517	193,660,184

25. DIVIDENDS

	Company and Group	
	2018 $'000	2017 $'000
Declared and paid during the financial year:		
Cash dividends on ordinary shares:		
2017 final one-tier tax-exempt cash dividend of $0.025 per share paid (FY16: $0.020)	4,842	3,873
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
2018 final one-tier tax-exempt dividend of $0.020 per share (FY17: $0.025)	4,193	4,842

26. STATEMENT OF OPERATIONS BY SEGMENT

Group

(a) For management purposes, the Group is organised into business units based on their geographical locations, and has five reportable operating segments as follows:

(i) Singapore
(ii) Malaysia
(iii) Hong Kong
(iv) Australia
(v) China

The Group is a professional business services group and the core services provided are corporate secretarial, share registry and accounting, taxation & payroll services. Corporate secretarial and accounting, taxation & payroll services to external customers are included in the five operating segments. Share registry services to external customers are included in all segments except China.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profitability.

(b) Segment revenue and expense

All segment revenue and expenses are directly attributable to the segments.

26. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(c) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating receivables, unbilled receivables, staff loans, property, plant and equipment, intangible assets and deferred tax assets, net of allowances and provisions.

Segment liabilities include all operating liabilities and consist principally of operating payables, contract liabilities, current tax payable and deferred tax liabilities.

	Singapore $'000	Malaysia $'000	Hong Kong $'000	Australia $'000	China $'000	Consolidated $'000
31 December 2018						
Revenue						
External sales	31,025	12,463	11,307	35,194	1,602	91,591
Results						
Profit/(loss) before tax	774	1,554	2,353	4,654	(79)	9,256
Income tax expense	(371)	(503)	(213)	(1,219)	–	(2,306)
Profit/(loss) for the financial year	403	1,051	2,140	3,435	(79)	6,950
Other information						
Segment assets	21,642	69,081	29,805	55,855	771	177,154
Segment liabilities	57,754	8,099	6,562	9,268	165	81,848
Capital expenditure						
– Property, plant and equipment	840	235	87	150	8	1,320
– Intangible assets	36	3	–	1,766	7	1,812
Interest income	104	191	1	501	1	798
Interest expense	1,019	–	–	32	–	1,051
Depreciation and amortisation expenses	783	804	113	2,127	16	3,843
Allowance for impairment of debts – trade, net	467	48	(116)	99	(23)	475
(Gain)/Loss on disposal of property, plant and equipment	(2)	30	–	–	–	28

26. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(c) Segment assets and liabilities (continued)

	Singapore $'000	Malaysia $'000	Hong Kong $'000	Australia $'000	China $'000	Consolidated $'000
31 December 2017 (Restated)						
Revenue						
External sales	29,923	7,105	8,931	33,082	1,633	80,674
Results						
Profit/(loss) before tax	6,062	1,586	955	3,925	(223)	12,305
Income tax (expense)/ credit	(397)	(336)	33	(1,032)	–	(1,732)
Profit/(loss) for the financial year	5,665	1,250	988	2,893	(223)	10,573
Other information						
Segment assets	22,234	9,488	27,579	55,410	929	115,640
Segment liabilities	17,616	1,654	5,976	8,029	282	33,557
Capital expenditure						
– Property, plant and equipment	1,190	67	193	264	15	1,729
– Intangible assets	162	189	–	1,470	4	1,825
Interest income	84	132	–	29	1	246
Interest expense	245	–	–	–	–	245
Depreciation and amortisation expenses	494	167	81	2,075	14	2,831
Allowance for impairment of debts – trade, net	370	11	223	83	(50)	637
Loss on disposal of property, plant and equipment	–	–	2	–	–	2
1 January 2017 (Restated)						
Segment assets	21,553	8,802	28,138	51,994	1,130	111,617
Segment liabilities	18,410	1,737	5,609	8,182	454	34,392

26. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(d) Business segments information

The Group is a professional business services group and the core services provided are corporate secretarial, share registry, and accounting, taxation & payroll services.

Corporate secretarial services

The Group provides corporate secretarial services mainly to private limited companies and to public listed corporations. Services under corporate secretarial include acting as company secretary and provision of corporate secretarial consultancy, advisory, assistance and support.

Share registry services

Services are provided predominately to public listed corporations. Under share registry services, the services provided include acting as share registrar, unit registrar, share transfer agent, warrant agent, bond agent, employee equity plan administration, voting, meeting services, shareholders analytics, investor solicitation, and transfer agency (collective investment scheme).

Accounting, taxation & payroll services

Services rendered include book-keeping, preparation of financial statements, payroll and payment processing, goods and services tax accounting, tax advisory and human resource advisory.

Business information

	Revenue		Non-current assets		
	2018 $'000	2017 $'000 (Restated)	31.12.2018 $'000	31.12.2017 $'000 (Restated)	1.1.2017 $'000 (Restated)
Corporate secretarial services	28,527	22,726	46,982	18,655	18,010
Share registry services	45,736	42,856	57,797	45,139	42,358
Accounting, taxation & payroll services	17,328	15,092	20,787	8,849	10,803
	91,591	80,674	125,566	72,643	71,171

Non-current assets information presented above consist of property, plant and equipment and intangible assets presented in the consolidated balance sheet.

Major customer information

The Group does not have revenue concentration from major customers. Revenue is spread over a large number of clients.

27. RELATED PARTY TRANSACTIONS

Sale and purchases of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2018 $'000	2017 $'000
Ultimate holding company:		
– Service fee income	1	1
Intermediate holding company:		
– Service fee income	63	67
Immediate holding company:		
– Service fee income	1	1
Related companies*:		
– Service fee income	66	61

* Related companies are subsidiaries of the ultimate holding company.

Compensation of key management personnel

	Group	
	2018 $'000	2017 $'000
Directors of the Company:		
Short-term employee benefits:		
– salaries and other short-term benefits	496	496
– bonus paid	497	400
Defined contribution expenses	9	13
Directors of the subsidiaries:		
Short-term employee benefits:		
– salaries and other short-term benefits	3,767	3,262
– bonus paid	957	570
Defined contribution expenses	279	204
	6,005	4,945

28. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Company and the Group were committed to making the following rental payments in respect of operating lease of office premises and office equipment with an original term of more than one year.

Future minimum rental payable under non-cancellable operating leases at the balance sheet date are as follows:

	Company		Group	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Not later than one year	2,612	3,000	5,734	6,071
Later than one year and not later than five years	5,909	757	11,127	8,544
Later than five years	–	–	–	43
	8,521	3,757	16,861	14,658

The lease on the Group's office premises for which rentals are payable will expire between 31 December 2019 and 30 April 2023 (FY17: 25 March 2019 and 31 October 2022).

29. LITIGATION

In relation to the claim made against the Group's wholly-owned entity which provides trust services, the BVI Courts has issued a ruling on 17 October 2017 for the entity to hand over the remaining trust assets to the Deputies for the Settlor without any further liability on the part of the entity for providing the trust services. The Group continues to abide by the ruling of the BVI Courts under BVI trust laws. As the ruling provides that the entity can recover costs out of the trust assets, this is being currently pursued in the BVI Courts.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's and the Group's activities expose to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close cooperation with the Company's and the Group's operating units.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

The following sections provide details regarding the Company's and the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group operates in Asia and Australia with dominant operations in Singapore and Australia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Malaysian Ringgit ("MYR"), Hong Kong Dollar ("HKD"), Australian Dollar ("AUD") and Chinese Yuan Renminbi ("CNY").

The Group is exposed to foreign exchange fluctuation risk to the extent of the difference between the revenue earned in various currencies and the respective local components of cost of sales incurred. The Company uses forward contracts to hedge the Group's foreign currency exposure to the AUD fluctuation. There are no forward currency contracts as at 31 December 2018. The Company also uses CCIRS to hedge the Group's foreign currency exposure to the MYR fluctuation. The information about the CCIRS is disclosed in Note 15.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Australia, Hong Kong, Malaysia and China. The Group's net investments in subsidiaries are not hedged as currency positions in other foreign currencies are considered to be long-term in nature.

Hedging activities

During the year, the Company enters into a CCIRS to manage the foreign exchange risk and interest risk arising from conversion between MYR and SGD associated with the intercompany loan denominated in MYR.

The CCIRS is designated as cash flow hedge and the fair value of the swap at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below.

As the critical terms of the CCIRS and their corresponding hedged item are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the CCIRS and the value of the corresponding hedged item will systematically change in opposite direction in response to movements in the underlying interest rates.

The CCIRS receives on average SGD floating interest rate of 3.24% per annum. (31 December 2017: Nil), pays on average MYR floating interest of 5.44% per annum (31 December 2017: Nil) and matures on 28 August 2021.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk (continued)

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date.

The cost of hedging reserve contains cumulative change in fair value of time value and forward element of CCIRS not designated as hedging instruments in hedge relationships.

	Cash flow hedge reserve $'000	Cost of hedging reserve $'000	Total $'000
Cash flow hedge			
Effective portion of changes in fair value of hedging instruments	(138)	–	(138)
Net amount reclassified to profit or loss			
– Unrealised foreign exchange gains	242	–	242
– Interest	(77)	–	(77)
Cost of hedging reserves			
Fair value changes	–	247	247
Net amount reclassified to profit or loss			
– Cost of hedging	–	(27)	(27)
Closing balance	27	220	247

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits, unbilled receivables and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations

- Actual or expected significant changes in the operating results of the customer

- Significant increases in credit risk on account receivables of the same customer

- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the group and changes in the operating results of the customer

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the customer

- A breach of contract, such as a default or past due event

- It is becoming probable that the customer will enter bankruptcy or other financial reorganisation

- There is a disappearance of an active market for that financial asset because of financial difficulty

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Investment in redeemable preference shares at amortised cost and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, such as Standard and Poor, Moody's and Fitch, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 90 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period. There were no loss allowance provision made as at 31 December 2018.

The gross carrying amount of debt securities at amortised cost and loans, without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is as follows:

	Group	31 December 2018 $'000
12-month ECL	Investment in redeemable preference shares at amortised cost	26,518
12-month ECL	Loan to a subsidiary	41,124

The gross carrying amount of loans of the Company as at 31 December 2018, without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is $67,642,000.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 December 2018 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and unbilled receivables using provision matrix, grouped by geographical region:

Singapore:

31 December 2018	Unbilled receivables $'000	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
Gross carrying amount	1,189	–	4,536	531	2,954	9,210
Loss allowance provision	–	–	(52)	(6)	(1,261)	(1,319)

Other geographical areas:

31 December 2018	Unbilled receivables $'000	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
Gross carrying amount	646	3,091	6,638	1,346	4,957	16,678
Loss allowance provision	–	–	(141)	(11)	(1,794)	(1,946)

Information regarding loss allowance movement of unbilled receivables and trade receivables are disclosed in Note 10 and Note 11 respectively.

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group		
	31.12.2018 $'000	31.12.2017 $'000	1.1.2017 $'000
By geographical areas:			
Singapore	6,702	6,402	4,882
Australia	5,875	5,984	5,076
Hong Kong	3,913	3,938	3,234
Malaysia	4,183	1,235	1,280
China	115	208	187
	20,788	17,767	14,659

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash, short-term deposits, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 (Trade and other receivables).

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's and the Group's objective is to maintain a balance between sufficient cash and cash equivalents and internally generated cash flows and the use of credit facilities to finance their operating activities and committed liabilities. At the end of the reporting year, approximately 22% (FY17: 18%) of the Group's bank borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low as access to sources of funding is sufficiently available.

The tables below analyses the maturity profile of the Company's and the Group's derivative and non-derivative financial instruments based on contractual undiscounted cash flows. The balances of the accounts in the below tables will approximate the balances on the balance sheet due to the short-term nature of the accounts. The Company and the Group expected cash flows on these instruments may vary from this analysis:

	Not later than one year $'000	One to five years $'000	Total $'000
Company and Group			
31.12.2018			
Derivative cash flows:			
Cross currency interest rate swap:			
Cash inflows	5,059	39,268	44,327
Cash outflows	(5,923)	(40,581)	(46,504)
	(864)	(1,313)	(2,177)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	Not later than one year $'000	One to five years $'000	Total $'000
Company			
31.12.2018			
Non-derivative cash flows:			
Financial assets:			
Trade and other receivables (Note 11)	810	–	810
Amounts due from subsidiaries	37,008	40,581	77,589
Cash and cash equivalents (Note 12)	4,202	–	4,202
Total undiscounted financial assets	42,020	40,581	82,601
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 14)	2,049	–	2,049
Amounts due to subsidiaries (Note 8)	460	–	460
Bank borrowings	12,290	41,137	53,427
Total undiscounted financial liabilities	14,799	41,137	55,936
Total net undiscounted financial assets/(liabilities)	27,221	(556)	26,665
Company			
31.12.2017			
Non-derivative cash flows:			
Financial assets:			
Trade and other receivables (Note 11)	1,628	–	1,628
Amounts due from subsidiaries (Note 8)	4,272	–	4,272
Cash and cash equivalents (Note 12)	4,037	–	4,037
Total undiscounted financial assets	9,937	–	9,937
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 14)	1,630	–	1,630
Amounts due to subsidiaries (Note 8)	30	–	30
Bank borrowings	1,732	7,189	8,921
Total undiscounted financial liabilities	3,392	7,189	10,581
Total net undiscounted financial assets/(liabilities)	6,545	(7,189)	(644)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	Not later than one year $'000	One to five years $'000	Total $'000
Company			
1.1.2017			
Non-derivative cash flows:			
Financial assets:			
Trade and other receivables (Note 11)	1,448	–	1,448
Amounts due from subsidiaries (Note 8)	3,431	–	3,431
Cash and cash equivalents (Note 12)	5,386	–	5,386
Total undiscounted financial assets	10,265	–	10,265
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 14)	1,159	–	1,159
Amounts due to subsidiaries (Note 8)	67	–	67
Bank borrowings	1,774	8,921	10,695
Total undiscounted financial liabilities	3,000	8,921	11,921
Total net undiscounted financial assets/(liabilities)	7,265	(8,921)	(1,656)
Group			
31.12.2018			
Non-derivative cash flows:			
Financial assets:			
Short term investments (Note 9)	935	–	935
Trade and other receivables (Note 11)	23,032	–	23,032
Cash and cash equivalents (Note 12)	24,622	–	24,622
Total undiscounted financial assets	48,589	–	48,589
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 14)	19,394	–	19,394
Bank borrowings	12,290	41,137	53,427
Total undiscounted financial liabilities	31,684	41,137	72,821
Total net undiscounted financial assets/(liabilities)	16,905	(41,137)	(24,232)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	Not later than one year $'000	One to five years $'000	Total $'000
Group			
31.12.2017			
Non-derivative cash flows:			
Financial assets:			
Trade and other receivables (Note 11)	19,814	–	19,814
Cash and cash equivalents (Note 12)	20,899	–	20,899
Total undiscounted financial assets	40,713	–	40,713
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 14)	14,762	–	14,762
Bank borrowings	1,732	7,189	8,921
Total undiscounted financial liabilities	16,494	7,189	23,683
Total net undiscounted financial assets/(liabilities)	24,219	(7,189)	17,030
1.1.2017			
Non-derivative cash flows:			
Financial assets:			
Trade and other receivables (Note 11)	16,705	–	16,705
Cash and cash equivalents (Note 12)	20,185	–	20,185
Total undiscounted financial assets	36,890	–	36,890
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 14)	12,720	–	12,720
Bank borrowings	1,774	8,921	10,695
Total undiscounted financial liabilities	14,494	8,921	23,415
Total net undiscounted financial assets/(liabilities)	22,396	(8,921)	13,475

31. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

(b) To support the Group's stability and growth; and

(c) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group monitors capital using a current ratio, which is current assets divided by current liabilities.

	Group	
	31.12.2018 $'000	31.12.2017 $'000 (Restated)
Short term investments (Note 9)	935	–
Income tax receivable	364	–
Trade and other receivables (Note 11)	23,032	19,814
Unbilled receivables (Note 10)	1,835	1,696
Prepayments	800	588
Cash and cash equivalents (Note 12)	24,622	20,899
Total current assets	51,588	42,997
Trade and other payables (Note 14)	20,030	15,301
Contract liabilities (Note 10)	4,421	3,966
Bank borrowings (Note 13)	10,800	1,500
Income tax payable	1,241	275
Derivative liabilities (Note 15)	109	–
Total current liabilities	36,601	21,042
Current ratio	1.41	2.04

32. FAIR VALUE OF ASSETS AND LIABILITIES

A. Fair values of financial instruments

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability. Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value hierarchy (continued)

	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
2018				
Financial assets:				
Equity securities at fair value through profit or loss (Note 9)				
Quoted equity securities	57	–	–	57
Unquoted equity securities	–	878	–	878
At 31 December 2018	57	878	–	935
Financial liabilities:				
Derivatives (Note 15)				
Cross currency interest rate swap	–	(109)	–	(109)
At 31 December 2018	–	(109)	–	(109)

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

A. Fair values of financial instruments (continued)

(c) Determination of fair value

(i) Derivative financial instruments

The fair value of exchange-traded derivative financial instruments is based on quoted market prices. The fair value of derivative financial instruments is estimated using discounted cash flow techniques. The valuation models incorporate inputs that are observable in the market or can be derived from observable market data.

Prices derived by using models are recognised net of valuation adjustments. The inputs used in the valuation models depend on the type of derivative and the nature of the underlying instrument and are specific to the instrument being valued. Inputs can include, but are not limited to, interest rate yield curves, foreign exchange rates, dividend yield projections, commodity spot and forward prices, recovery rates, volatilities, spot prices, and correlation.

A credit risk valuation adjustment ("CRVA") is recognised against the model value of derivatives to account for the uncertainty that either counterparty in a derivative transaction may not be able to fulfil its obligations under the transaction. In determining CRVA, the Company takes into account master netting agreements and collateral, and considers the creditworthiness of the counterparty and the Company itself, in assessing potential future amounts owed to, or by the Company.

The fair value of a derivative is partly a function of collateralization. The Company uses the relevant overnight index swap curve to discount the cash flows for collateralised derivatives as most collateral is posted in cash and can be funded at the overnight rate.

A funding valuation adjustment ("FVA") is recognised against the model value of derivatives to recognise the market implied funding costs and benefits considered in the pricing and fair valuation of uncollateralized derivatives. Some of the key drivers of FVA include the market implied cost of funding spread over the Kuala Lumpur Interbank Offered Rate ("KLIBOR") and the expected average exposure by counterparty. FVA is further adjusted to account for the extent to which the funding cost is incorporated into observed traded levels and to calibrate to the expected term of the trade. The Bank will continue to monitor industry practice, and may refine the methodology and the products to which FVA applies to as market practices evolve.

(ii) Equity securities

The fair value of equity securities is based on quoted prices in active markets, where available. Where quoted prices in active markets are not readily available, such as for private equity securities, or where there is a wide bid-offer spread, fair value is determined based on quoted market prices for similar securities or through valuation techniques, including discounted cash flow analysis, and multiples of earnings before taxes, depreciation and amortisation, and other relevant valuation techniques.

If there are trading restrictions on the equity security held, a valuation adjustment is recognised against available prices to reflect the nature of the restriction.

However, restrictions that are not part of the security held and represent a separate contractual arrangement that has been entered into by the Bank and a third-party do not impact the fair value of the original instrument.

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 11); Unbilled receivables (Note 10); Trade and other payables (Note 14); Amounts due from/(to) subsidiaries (Note 8)

The carrying amounts of these financial assets and financial liabilities are reasonably approximate their respective fair values either due to their short-term nature or they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

The Company and the Group do not anticipate that the carrying amounts recorded at balance sheet date would be significantly different from the values that would be eventually received or settled.

33. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 27 February 2019, the Company has subscribed an additional 500,000 new ordinary shares at S$1.00 per share in the share capital of its wholly-owned subsidiary, Boardroom Executive Services Pte. Ltd., for a total cash consideration of S$500,000.00. The subscription is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year.

Certain subsidiaries held through Boardroom Malaysia, namely Symphony Corporatehouse Sdn Bhd ("SCH"), Boardroom Corporate Services (Penang) Sdn Bhd ("BCSPG"), Boardroom Corporate Services (Johor) Sdn Bhd ("BCSJB") and Boardroom Corporate Services (KL) Sdn Bhd ("BCSKL") entered into a scheme of amalgamation pursuant to Section 370 of the Companies Act 2016 whereby the respective corporate secretarial businesses of SCH, BCSPG, BCSJB were merged with the existing corporate secretarial business of BCSKL pursuant to a Court order dated 6 December 2018 under Kuala Lumpur High Court Originating Summons No. WA-24NCC-631-11/2018. The vesting date of the said scheme of amalgamation was on 1 February 2019.

Certain subsidiaries held through Boardroom Malaysia, namely BCSPG, Boardroom Business Solution Sdn Bhd ("BBS") and SCH entered into a scheme of amalgamation pursuant to Section 370 of the Companies Act 2016 whereby the respective accounting, payroll and tax businesses of BCSPG and BBS were merged with the existing accounting and payroll business of SCH pursuant to a Court order dated 6 December 2018 under Kuala Lumpur High Court Originating Summons No. WA-24NCC-630-11/2018. The vesting date of the said scheme of amalgamation was on 1 February 2019.

34. AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 14 March 2019.

STATISTICS OF SHAREHOLDINGS

As at 8 March 2019

Class of equity securities	:	Ordinary share
Number of equity securities	:	209,660,184
Number of treasury shares	:	Nil
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	14	2.93	643	0.00
100 – 1,000	52	10.88	33,000	0.02
1,001 – 10,000	217	45.40	997,570	0.48
10,001 – 1,000,000	188	39.33	11,793,488	5.62
1,000,001 and above	7	1.46	196,835,483	93.88
Total	**478**	**100.00**	**209,660,184**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	United Overseas Bank Nominees (Private) Limited	158,480,324	75.59
2	Maybank Kim Eng Securities Pte. Ltd.	16,155,926	7.71
3	Salacca Pte. Ltd.	11,033,443	5.26
4	Jen Shek Voon	3,701,664	1.77
5	Raffles Nominees (Pte.) Limited	3,019,165	1.44
6	Citibank Nominees Singapore Pte Ltd	2,598,800	1.24
7	Ong Eng Teong	1,846,161	0.88
8	DBS Nominees (Private) Limited	882,303	0.42
9	Yeo Seng Kia	678,000	0.32
10	Seah Jim Hong Gerard	500,262	0.24
11	Liew Swee Lian	469,000	0.22
12	Low Wing Keong	398,657	0.19
13	DB Nominees (Singapore) Pte Ltd	361,308	0.17
14	Chang Yue	276,304	0.13
15	Ng Bee Nan	268,700	0.13
16	Tan Beng Chuan Frederick	258,300	0.12
17	Timms Steven Martin	251,369	0.12
18	Goh Geok Ling	251,000	0.12
19	Neo Ee Lye	232,587	0.11
20	Tay Yee Mrs Seah Hark Meng	226,402	0.11
	Total	**201,889,675**	**96.29**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 8 March 2019)

Names of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Salacca Pte. Ltd. [(1)]	11,033,443	5.26	158,201,932	75.46
Goh Geok Khim [(2)]	–	–	169,235,375	80.72
Goh Yew Lin [(3)]	–	–	169,235,375	80.72
G. K. Goh Holdings Limited [(4)]	–	–	169,235,375	80.72
GKG Investment Holdings Pte. Ltd. [(5)]	–	–	169,235,375	80.72
Symphony House Sdn. Bhd. [(6)]	16,000,000	7.63	–	–
Stone Equity Sdn. Bhd. [(7)]	–	–	16,000,000	7.63
Mohamed Azman bin Yahya [(8)]	–	–	16,000,000	7.63
Abdul Hamid bin Sheikh Mohamed [(9)]	–	–	16,000,000	7.63

Notes:

(1) Pursuant to a loan facility granted by a bank, a charge has been created over Salacca Pte. Ltd.'s ("**Salacca**") interest in 158,201,932 shares of the Company. The said shares have been registered in the name of the bank's nominee company.

(2) Goh Geok Khim is deemed to have an interest in the shares which GKG Investment Holdings Pte. Ltd. ("**GKGI**") has an interest by virtue of his holding not less than 20% of the voting shares in GKGI.

(3) Goh Yew Lin is deemed to have an interest in the shares which GKGI has an interest by virtue of his holding not less than 20% of the voting shares in GKGI.

(4) G. K. Goh Holdings Limited ("**GKGH**"), which is the holding company of Salacca, is deemed to have an interest in the shares in which Salacca has an interest in.

(5) GKGI as the ultimate holding company of GKGH is deemed to have an interest in the shares in which GKGH has an interest in.

(6) Symphony House Sdn. Bhd. ("**Symphony House**") has a direct interest in 16,000,000 shares which are held by a nominee company.

(7) Symphony House is a wholly-owned direct subsidiary of Stone Equity Sdn. Bhd. ("**Stone Equity**"). Accordingly, Stone Equity is deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), to have an interest in the shares in which Symphony House has an interest.

(8) Symphony House is a wholly-owned direct subsidiary of Stone Equity. Mohamed Azman bin Yahya ("**Mohd Azman**") holds 75% of Stone Equity. Accordingly, Mohd Azman is deemed under Section 4 of the SFA, to have an interest in the shares in which Symphony House has an interest.

(9) Symphony House is a wholly-owned direct subsidiary of Stone Equity. Abdul Hamid bin Sheikh Mohamed ("**Abdul Hamid**") holds 25% of Stone Equity. Accordingly, Abdul Hamid is deemed under Section 4 of the SFA, to have an interest in the shares in which Symphony House has an interest.

PUBLIC FLOAT

As at 8 March 2019, 11.46% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSIDIARY HOLDINGS

As at 8 March 2019, the Company does not have any subsidiary holdings (as defined in the Listing Manual of the SGX-ST).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boardroom Limited (the "**Company**") will be held at 50 Raffles Place, #31-01 Singapore Land Tower, Singapore 048623 on Tuesday, 23 April 2019 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Auditor's Report.

   (Resolution 1)

2. To declare a first and final one-tier tax exempt dividend of 2.0 Singapore cents per share for the financial year ended 31 December 2018 (2017: First and final one-tier tax exempt dividend of 2.5 Singapore cents per share).

   (Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Article 110 of the Constitution of the Company:

   (a) Mr Goh Geok Khim **(Resolution 3(a))**
   (b) Mr Thomas Teo Liang Huat **(Resolution 3(b))**

   [See Explanatory Note (i)]

   Mr Goh Geok Khim will, upon re-election as Director of the Company, remain as Chairman of the Board and will be considered non-independent.

   Mr Thomas Teo Liang Huat will, upon re-election as Director of the Company, remain as a member of the Audit and Remuneration Committees and will be considered non-independent.

4. To approve the payment of Directors' fees of $315,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears (FY2018: $315,000).

   (Resolution 4)

5. To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors of the Company to fix its remuneration.

   (Resolution 5)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modifications as Ordinary Resolutions:

7. **Authority to issue shares (General Mandate)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual of the SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Listing Manual of the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

and in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 6)

[See Explanatory Note (ii)]

8. **Authority to issue shares (Scrip Dividend Scheme)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the Boardroom Limited Scrip Dividend Scheme.

(Resolution 7)

[See Explanatory Note (iii)]

By Order of the Board

Ngiam May Ling
Company Secretary

Singapore
5 April 2019

Explanatory Notes:

(i) Resolutions 3(a) and 3(b) are for the re-election of Mr Goh Geok Khim and Mr Thomas Teo Liang Huat respectively, Directors of the Company who retire by rotation at the Annual General Meeting. For more information on these Directors, please refer to the "Board of Directors" section in the Annual Report 2018.

(ii) Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a pro rata basis to shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares. As at 8 March 2019, the Company did not have treasury shares or subsidiary holdings.

(iii) Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, to allot and issue ordinary shares of the Company pursuant to the Boardroom Limited Scrip Dividend Scheme to eligible members of the Company who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy must be deposited at the registered office of the Company at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

BOARDROOM LIMITED
Company Registration No. 200003902Z
(Incorporated in Singapore with limited liability)

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Boardroom Limited shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2019.

PROXY FORM

I/We (Name), ______________________________ (NRIC/Passport/UEN No.) ______________

of (Address) ____

being a member/members of Boardroom Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at 50 Raffles Place, #31-01 Singapore Land Tower, Singapore 048623 on Tuesday, 23 April 2019 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	No. of Votes For ^	No. of Votes Against ^
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018		
2	Payment of first and final one-tier tax exempt dividend of 2.0 Singapore cents per share for the financial year ended 31 December 2018		
3(a)	Re-election of Mr Goh Geok Khim as a Director of the Company		
3(b)	Re-election of Mr Thomas Teo Liang Huat as a Director of the Company		
4	Approval of Directors' fees amounting to $315,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears		
5	Re-appointment of Ernst & Young LLP as the Auditor of the Company and to authorise the Directors to fix its remuneration		
6	Authority to issue shares (General Mandate)		
7	Authority to issue shares (Scrip Dividend Scheme)		

^ *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of ______________________ 2019

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Member(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

BoardRoom
Smart Business Solutions

Company Registration No. 200003902Z

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