

**CIRCULAR DATED 14 JUNE 2019**

**THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF SAC CAPITAL PRIVATE LIMITED TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Boardroom Limited (the “**Company**”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser, the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.

# BoardRoom

## **BOARDROOM LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200003902Z)

### **CIRCULAR TO SHAREHOLDERS**

in relation to the

### **VOLUNTARY UNCONDITIONAL CASH OFFER**

by

#### **CIMB BANK BERHAD (13491-P)** **Singapore Branch**

(Incorporated in Malaysia)

for and on behalf of

#### **SALACCA PTE. LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200413692D)

a wholly-owned subsidiary of



#### **G. K. GOH HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199000184D)

to acquire the Offer Shares (as defined herein)

*Independent Financial Adviser to the Independent Directors*



#### **SAC CAPITAL PRIVATE LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200401542N)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY 5.30 P.M. (SINGAPORE TIME) ON 28 JUNE 2019 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.**

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## DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

### GENERAL

- “3M2019 Results Announcement”** : Unaudited consolidated financial statements of the Group for the first quarter ended 31 March 2019, which were issued in the Company’s announcement released on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com) on 7 May 2019
- “Act”** : The Companies Act (Chapter 50 of Singapore)
- “Board”** : The board of Directors of the Company as at the Latest Practicable Date
- “Business Day”** : A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
- “Circular”** : This circular to Shareholders in relation to the Offer enclosing, *inter alia*, the recommendation of the Independent Directors and the IFA Letter
- “Closing Date”** : 5.30 p.m. (Singapore time) on 28 June 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances for the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Company Securities”** : (a) Shares; and (b) Convertible Securities, Warrants, Options and Derivatives in respect of (a)
- “Constitution”** : The constitution of the Company
- “Convertible Securities”** : Securities convertible or exchangeable into new shares or existing shares
- “CPFIS”** : Central Provident Fund Investment Scheme
- “CPFIS Investors”** : Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
- “Derivatives”** : Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
- “Directors”** : The directors of the Company as at the Latest Practicable Date
- “FAA”** : The Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of the Offer Document
- “FAT”** : The Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Offer Shares are not deposited with CDP and are registered in such Shareholder’s name in the Register and which forms part of the Offer Document

<b>“FY”</b>	: Financial year ended 31 December
<b>“IFA Letter”</b>	: The letter dated 14 June 2019 from SAC Capital to the Independent Directors in relation to the Offer as set out in Appendix I to this Circular
<b>“Independent Directors”</b>	: The Directors who are considered independent for the purposes of making recommendations to the Shareholders in respect of the Offer, namely Mr Kim Teo Poh Jin, Mr Spencer Lee Tien Chye and Mr Christopher Colin Grubb
<b>“Interested Person”</b>	: As defined in the Note on Rule 23.12 of the Code, an Interested Person, in relation to a company, is: <ul style="list-style-type: none"> <li>(a) a director, chief executive officer, or substantial shareholder of the company;</li> <li>(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;</li> <li>(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;</li> <li>(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;</li> <li>(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or</li> <li>(f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more</li> </ul>
<b>“Latest Practicable Date”</b>	: 3 June 2019, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	: The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date
<b>“Market Day”</b>	: A day on which the SGX-ST is open for trading of securities
<b>“Offer”</b>	: The voluntary unconditional cash offer made by CIMB, for and on behalf of the Offeror, for the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such Offer may be amended, extended and revised from time to time by or on behalf of the Offeror
<b>“Offer Announcement”</b>	: The announcement relating to the Offer released by CIMB, for and on behalf of the Offeror, on the Offer Announcement Date
<b>“Offer Announcement Date”</b>	: 15 May 2019

<b>“Offer Document”</b>	: The offer document dated 31 May 2019 issued by CIMB, for and on behalf of the Offeror, including the FAA and the FAT, and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update such document(s) from time to time
<b>“Offer Price”</b>	: <b>S\$0.88</b> in cash for each Offer Share, as more particularly defined in Section 2.1.1 of the Letter to Shareholders in the Offer Document
<b>“Offer Shares”</b>	: All the Shares to which the Offer relates, as more particularly defined in Section 2.1.2 of the Letter to Shareholders in the Offer Document and described in Section 2.2 of this Circular
<b>“Offeror Securities”</b>	: (a) shares of the Offeror; (b) securities which carry substantially the same rights as any shares of the Offeror; and (c) Convertible Securities, Warrants, Options and Derivatives in respect of (a) or (b)
<b>“Options”</b>	: Options to subscribe for or purchase new shares or existing shares
<b>“Overseas Shareholders”</b>	: Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP
<b>“Register”</b>	: The register of holders of Shares, as maintained by the Registrar
<b>“Shareholders”</b>	: Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	: Issued and paid-up ordinary shares in the capital of the Company
<b>“SRS Investors”</b>	: Investors who have purchased Shares pursuant to SRS
<b>“S\$” and “cents”</b>	: Singapore dollars and cents, respectively, being the lawful currency of Singapore
<b>“Warrants”</b>	: Rights to subscribe for or purchase new shares or existing shares
<b>“%” or “per cent.”</b>	: Per centum or percentage
<b>COMPANIES / ORGANISATIONS</b>	
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“CIMB”</b>	: CIMB Bank Berhad, Singapore Branch
<b>“Company”</b>	: Boardroom Limited
<b>“CPF”</b>	: The Central Provident Fund
<b>“E&amp;Y”</b>	: Ernst & Young LLP, the auditor of the Company
<b>“GKGH”</b>	: G. K. Goh Holdings Limited

“GKGI”	: GKG Investment Holdings Pte Ltd
“Group”	: The Company and its subsidiaries
“Offeror”	: Salacca Pte. Ltd.
“Registrar”	: Boardroom Corporate & Advisory Services Pte. Ltd.
“SAC Capital” or “IFA”	: SAC Capital Private Limited, the independent financial adviser to the Independent Directors in relation to the Offer
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SIC”	: Securities Industry Council of Singapore
“SRS”	: The Supplementary Retirement Scheme

Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in the Act.

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Act. The expression “**associated company**” shall have the meaning ascribed to it in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one (1) gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Act, the Listing Manual or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

**Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.**

In this Circular, any reference to the total number of issued Shares is a reference to 209,660,184 issued Shares (excluding treasury shares) as at the Latest Practicable Date based on a search conducted at ACRA, unless the context otherwise requires. Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 209,660,184 Shares in issue as at the Latest Practicable Date (excluding treasury shares) based on a search conducted at ACRA. As at the Latest Practicable Date, there are no treasury shares held in the issued share capital of the Company.

### Forward-looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

## SUMMARY TIMETABLE

Date of despatch of Offer Document : 31 May 2019

Closing Date : 5.30 p.m. (Singapore time) on 28 June 2019, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances for the Offer

Date of settlement of consideration for valid acceptances of the Offer<sup>(1)</sup> : Within 7 Business Days of receipt of valid acceptances by the Offeror which are complete and valid in all respects and are received on or before 5.30 p.m. (Singapore time) on the Closing Date

**Note:**

(1) Please refer to paragraph 2 of Appendix 1 to the Offer Document for further details.



# BOARDROOM LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200003902Z)

## LETTER TO SHAREHOLDERS FROM THE BOARD

### Board of Directors:

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

### Registered Office:

50 Raffles Place  
#32-01  
Singapore Land Tower  
Singapore 048623

14 JUNE 2019

To : The Shareholders of the Company

Dear Sir/Madam

### **VOLUNTARY UNCONDITIONAL CASH OFFER BY CIMB, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES**

#### **1. BACKGROUND**

##### **1.1 Offer Announcement**

On the Offer Announcement Date, CIMB announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer for the Offer Shares. A copy of the Offer Announcement is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

##### **1.2 Offer Document**

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Letter to Shareholders in the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

##### **1.3 Independent Financial Adviser**

SAC Capital has been appointed as the independent financial adviser to the Independent Directors in relation to the Offer.

##### **1.4 Purpose of the Circular**

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of SAC Capital to the Independent Directors in relation to the Offer.

**Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Independent Directors and the advice of SAC Capital to the Independent Directors in relation to the Offer before deciding whether to accept or reject the Offer. Shareholders should also refer to further announcements by the Company and the Offeror in connection with the Offer issued after the Latest Practicable Date. Copies of such announcements are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).**

**If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.**

## 2. THE OFFER

### 2.1 Terms of the Offer

The Offer is made by the Offeror on the principal terms set out in Section 2 of the Letter to Shareholders in the Offer Document, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

#### ***“2. THE OFFER***

##### ***2.1 Offer Terms***

***2.1.1*** *The Offeror will make the Offer for all the issued Boardroom Shares, other than those already owned or agreed to be acquired by the Offeror as at the date of the Offer, in accordance with Section 139 of the SFA and Rule 15 of the Code on the following basis:*

***For each Offer Share: S\$0.88 in cash (the “Offer Price”)***

***The Offer Price is final and the Offeror does not intend to increase the Offer Price.***

***2.1.2*** *The Offer, when made, will be extended to all issued Boardroom Shares, other than those already owned or agreed to be acquired by the Offeror as at the date of the Offer, but including issued Boardroom Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer (all such Boardroom Shares, the “Offer Shares”).*

***2.1.3*** *The Offer Shares will be acquired (i) fully paid, (ii) free from any claims, charges, pledges, mortgages, liens, options, equity, power of sale, declarations of trust, hypothecation, retention of title, rights of pre-emption, rights of first refusal, moratorium or other third party rights or security interests of any kind or an agreement, arrangement or obligation to create any of the foregoing (each, an “Encumbrance”) and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (“Distribution”) declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.*

***2.1.4*** *Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.*

*Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (“Accepting Shareholder”) shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:*

- (i)*** *if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “Books Closure Date”) and the Offeror is registered as the holder of such Offer Shares as at the Books Closure Date, the Offer Price shall not be reduced for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and*
- (ii)*** *if such settlement date falls after the Books Closure Date, or if such settlement date falls on or before the Books Closure Date but the Offeror is not registered*

*as the holder of such Offer Shares as at the Books Closure Date, the Offer Price for each such Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.*

**2.2 Unconditional.** *The Offer will not be subject to any conditions and will be unconditional in all respects.*

**2.3 Warranty.** *A Shareholder who tenders his Boardroom Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Boardroom Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions declared, paid or made by the Company on or after the Offer Announcement Date."*

## **2.2 Details of the Offer**

Further details on (a) the duration of the Offer, (b) the settlement of the consideration for the Offer, (c) requirements relating to announcement of the level of acceptances of the Offer, and (d) the right of withdrawal of acceptances of the Offer, are set out in Appendix 1 to the Offer Document.

## **2.3 Closing Date**

The Offer Document states that the Offer is open for acceptance by the Shareholders for at least 28 days from 31 May 2019, being the date of despatch of the Offer Document, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

**Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 28 June 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

## **2.4 Procedures for Acceptance**

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

## **3. NO UNDERTAKINGS**

As set out in Paragraph 1.6 of Appendix 7 to the Offer Document, as at 23 May 2019 (being the latest practicable date prior to the printing of the Offer Document) and based on the latest information available to the Offeror, none of the Offeror and parties acting in concert with the Offeror has received any irrevocable undertakings to accept or reject the Offer.

## **4. INFORMATION ON THE OFFEROR AND GKGH**

Details on the Offeror and GKGH have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### **"4. INFORMATION ON THE OFFEROR AND GKGH**

**4.1 The Offeror.** *The Offeror is a private limited company incorporated in Singapore on 22 October 2004 and its principal activity is investment holding. The Offeror is a direct wholly-owned subsidiary of GKGH.*

*As at the Latest Practicable Date:*

**4.1.1** *the Offeror has a direct interest in 11,558,243 Boardroom Shares, representing approximately 5.51 per cent. of the total number of Boardroom Shares in issue, and an indirect interest in 158,201,932 Boardroom Shares, representing approximately*

75.46 per cent. of the total number of Boardroom Shares in issue. In total, the Offeror's aggregate interest in the Company amounts to 169,760,175 Boardroom Shares, representing approximately 80.97 per cent. of the total number of Boardroom Shares in issue; and

**4.1.2** the Offeror Directors are Mr Goh Geok Khim and Mdm Tang Chon Luang.

**4.2** **GKGH.** GKGH is a public limited company incorporated in Singapore and listed on the Main Board of the SGX-ST. GKGH's principal activity is that of investment holding, and has operating businesses in aged care and corporate services.

As at the Latest Practicable Date:

**4.2.1** as the Offeror is a wholly-owned subsidiary of GKGH, GKGH is deemed to be interested in all the Boardroom Shares that the Offeror has an interest in, namely 169,760,175 Boardroom Shares, representing approximately 80.97 per cent. of the total number of Boardroom Shares in issue; and

**4.2.2** the directors of GKGH are Mr Goh Geok Khim, Mr Goh Yew Lin, Mr Thomas Teo Liang Huat, Mr Lee Soo Hoon, Mr David Lim Teck Leong and Ms Marie Elaine Teo.

**4.3** **Additional Information. Appendices 3 and 4** to this Offer Document set out additional information on the Offeror and GKGH respectively."

## **5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY**

The full text of the rationale for the Offer and the Offeror's intentions for the Company has been extracted from Sections 6 and 7 of the Letter to Shareholders in the Offer Document respectively, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### **"6. RATIONALE FOR THE OFFER**

**6.1** **Opportunity for Shareholders to realise their investment in the Boardroom Shares at a premium over the prevailing trading prices of the Boardroom Shares without incurring brokerage and other costs.** The Offer Price represents a premium of approximately 18.4 per cent., 16.1 per cent., 17.6 per cent. and 16.7 per cent. over the VWAP per Boardroom Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including the Last Trading Day. The Offer presents Shareholders with an opportunity to realise their investment in the Boardroom Shares at a premium over the prevailing trading prices of the Boardroom Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the thin trading liquidity of the Boardroom Shares.

**6.2** **Low Trading Liquidity.** The trading volume of the Boardroom Shares has been low, with an average daily trading volume<sup>2</sup> of approximately 2,600 Boardroom Shares, 2,003 Boardroom Shares, 2,672 Boardroom Shares and 2,384 Boardroom Shares during the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively, up to and including the Last Trading Day. These represent only 0.0012 per cent., 0.0010 per cent., 0.0013 per cent. and 0.0011 per cent. of the total number of issued Boardroom Shares for the aforementioned relevant periods, respectively.

[Footnote]

<sup>2</sup> The average daily trading volumes are based on data extracted from Bloomberg L.P. and are calculated by using the total volume of Boardroom Shares traded divided by the number of market days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day. Calculation of average daily trading volume does not include married trade transactions within the relevant periods.

**6.3** **Costs of Maintaining Listing.** In maintaining its listed status, the Company incurs listing, compliance and associated costs. If the Company is delisted and privatised as a consequence of the Offer, the Company will be able to substantially dispense with such costs and instead, focus its resources and attention on its business operations.

**6.4 Intention to Delist and Privatisise the Company.** *The Offeror is making the Offer with a view to delist and privatise the Company. This will enable the Offeror to exercise greater control and management flexibility to pursue and implement the Offeror's and the Company's business strategies and other options for the Company.*

## **7. THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY**

*The Offeror currently intends for the Company to continue its existing business activities and other than in the ordinary course of business, has no current plans to (i) introduce any major changes to the business of the Boardroom Group, (ii) materially re-deploy the fixed assets of the Boardroom Group or (iii) substantially discontinue the employment of the existing employees of the Boardroom Group. The Offeror may, from time to time, consider any options or opportunities in relation to Boardroom or any of its subsidiaries which may present themselves and which it may regard to be in the best interests of the GKGH Group and the Boardroom Group."*

## **6. THE OFFEROR'S INTENTIONS REGARDING LISTING STATUS AND COMPULSORY ACQUISITION**

The full text of the Offeror's intentions relating to the listing status and compulsory acquisition of the Company has been extracted from Section 8 of the Letter to Shareholders in the Offer Document, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### **"8. LISTING STATUS AND COMPULSORY ACQUISITION**

**8.1 Listing Status and Trading Suspension.** *Under Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received that bring the holdings of the Boardroom Shares owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) are held by at least 500 Shareholders who are members of the public.*

*Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares), thus causing the percentage of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company only at the close of the Offer.*

*Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) is at all times held by the public (the "**Free Float Requirement**"). In addition, under Rule 724 of the Listing Manual, if the percentage of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724 of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST. **According to the Company's annual report for FY2018, the percentage of the Boardroom Shares held by members of the public as at 8 March 2019 was approximately 11.46 per cent.***

***In the event that the Free Float Requirement is not satisfied at the close of the Offer and trading in the Boardroom Shares on the SGX-ST is suspended at the close of the Offer, the Offeror and GKGH do not intend to support any action or take any steps to***



**maintain the listing status of the Company or to restore the free float of the Boardroom Shares. The Offeror will also seek a delisting of the Company in such event.**

**8.2 Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the date of the Offer otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Boardroom Shares in issue (excluding treasury Boardroom Shares) as at the final closing date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.

**In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.**

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Boardroom Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Boardroom Shares which, together with treasury Boardroom Shares and the Boardroom Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of issued Boardroom Shares as at the final closing date of the Offer. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90 per cent. threshold under Section 215(3) of the Companies Act does not exclude Boardroom Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.”

## **7. DIRECTORS’ INTERESTS**

Details of the Directors including, *inter alia*, the Directors’ direct and deemed interests in Shares and shares in the Offeror as at the Latest Practicable Date are set out in Appendix II to this Circular.

## **8. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER**

SAC Capital has been appointed as the IFA to the Independent Directors in relation to the Offer.

**Shareholders should read and consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in relation to the Offer in their entirety before deciding whether to accept or reject the Offer.**

### **8.1 Independence of Directors**

- (a) Mr Goh Geok Khim (“**GKG**”) is the non-executive and non-independent Chairman of the Company. GKG is also the Executive Chairman of GKGH, the holding company of the Offeror, and a director of the Offeror;
- (b) Mr Goh Yew Lin (“**GYL**”), is the alternate Director to GKG on the board of Directors. GYL is also the Managing Director of GKGH;
- (c) Mr Thomas Teo Liang Huat (“**TT**”) is a non-executive and non-independent Director. TT is also an Executive Director and the Chief Financial Officer of GKGH; and

- (d) Mr Mak Lye Mun (“**MLM**”) is a non-executive and non-independent Director. MLM is also the Country Head and CEO of CIMB, which is the financial advisor to the Offeror in relation to the Offer,

(GKG, GYL, TT and MLM collectively, the “**Non-Independent Directors**”).

Accordingly, each of the Non-Independent Directors is a party presumed to be acting in concert with GKGH and the Offeror under the Code and would face, or may reasonably be perceived to face, a conflict of interest, that would render each of them inappropriate to join the remainder of the Directors in making a recommendation on the Offer to Shareholders.

The SIC had on 14 May 2019, confirmed, *inter alia*, that the Non-Independent Directors are exempted from the requirement under Rule 8.3 of the Code to make a recommendation on the Offer to Shareholders. Each of the Non-Independent Directors must, however, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

All the Independent Directors consider themselves independent for the purposes of making a recommendation to Shareholders in respect of the Offer.

## **8.2 Evaluation of the Offer by the IFA and the IFA’s Advice to the Independent Directors on the Offer**

The IFA Letter setting out the advice of the IFA to the Independent Directors in relation to the Offer is set out in Appendix I to this Circular.

The advice and recommendation of the IFA to the Independent Directors in relation to the Offer has been extracted from the IFA Letter and is set out below. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

### **“7. OUR OPINION AND ADVICE**

*In arriving at our opinion and advice in respect of the Offer, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer:*

- (a) *an assessment of the market quotation and trading liquidity of the Shares as follows:*

- (i) *in relation to Share prices:*

- (aa) *the closing prices of the Shares being below the Offer Price for the 12-month period prior to the Offer Announcement Date;*
- (bb) *the Offer Price representing a premium of approximately 23.9% and 7.3% over the lowest and highest closing prices of the Shares during the 12-month period prior to the Offer Announcement Date respectively;*
- (cc) *the Offer Price representing a premium of approximately 16.9%, 17.6%, 16.1% and 18.9% over the VWAP of the Shares for the 12-, 6-, 3- and one-month periods prior to the Offer Announcement Date respectively;*
- (dd) *the Offer Price representing a premium of approximately 14.3% over the closing price of the Shares of S\$0.770 on 3 May 2019, being the last Market Day on which the Shares were traded prior to the Offer Announcement Date; and*
- (ee) *the Offer Price being equal to the VWAP of the Shares of S\$0.88 for the period after the Offer Announcement and up to the Latest Practicable Date and as at the Latest Practicable Date;*

- (ii) *in relation to trading liquidity of the Shares:*
  - (aa) *the Shares being traded on 22.0% of the total number of Market Days during the 12-month period prior to the Offer Announcement Date, with an average daily trading volume of approximately 2,000 Shares;*
  - (bb) *the average daily trading volume of the Shares for the 12-, 6-, 3- and one-month periods prior to the Offer Announcement Date representing approximately 0.008%, 0.008%, 0.008% and 0.004% of the free float respectively; and*
  - (cc) *the average daily trading volume of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date representing approximately 0.187% of the free float, with the Offeror acquiring a total of 541,000 Shares, representing almost 100.0% of the total volume of the Shares transacted during the aforesaid period;*
- (iii) *in relation to the relative performance of the Shares versus the FSTAS Index:*
  - (aa) *the Shares generally outperforming against the FSTAS Index in relative terms for the period commencing 12 months prior to the Offer Announcement Date, save for periods between mid-June 2018 and mid-July 2018, and during April 2019 where the Shares generally underperformed the FSTAS Index;*
  - (bb) *the Share price having appreciated by approximately 14.3% as compared to a decrease of approximately 7.3% in the FSTAS Index for the period commencing on the Last Transacted Day and ending on the Latest Practicable Date; and*
  - (cc) *the trading activity and closing price of the Shares as at the Latest Practicable Date appearing to be supported by the Offer, and may not be sustained at current levels after the close of the Offer;*
- (b) *historical financial performance of the Group, as set out in paragraph 6.2 of this letter;*
- (c) *a comparison with the book NAV and Adjusted NAV of the Group as follows:*
  - (i) *the Offer Price representing a premium of approximately 93.0% over the unaudited NAV per Share of S\$0.456 as at 31 March 2019; and*
  - (ii) *the Offer Price representing a premium of approximately 101.8% over the Adjusted NAV per Share of S\$0.436 as at 31 March 2019;*
- (d) *a comparison with the valuation statistics of the Comparable Companies as follows:*
  - (i) *the historical PER of 25.20 times of the Group as implied by the Offer Price being (aa) within the range of historical PERs of the Comparable Companies of between 7.47 times and 39.99 times, and (bb) at a premium of approximately 102.9% and 124.8% over the mean and median historical PERs of the Comparable Companies of 12.42 times and 11.21 times respectively;*
  - (ii) *the historical P/NAV ratio of 2.02 times of the Group as implied by the Offer Price and the Adjusted NAV per Share as at 31 March 2019 being (aa) within the range of historical P/NAV ratios of the Comparable Companies of between 0.96 times and 3.53 times, and (bb) at a premium of approximately 12.8% and 78.8% over the mean and median historical P/NAV ratios of the Comparable Companies of 1.79 times and 1.13 times respectively; and*
  - (iii) *the historical EV/EBITDA ratio of 15.91 times of the Group as implied by the Offer Price being (aa) above the range of historical EV/EBITDA ratios of the Comparable Companies of between 4.17 times and 12.79 times, and (bb) at a premium of approximately 136.1% and 190.9% over the mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.74 times and 5.47 times respectively;*



- (e) *a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST as follows:*
- (i) *the premium of the Offer Price over the last transacted price of the Shares prior to the Offer Announcement Date of approximately 14.3% being (aa) within the range of the corresponding premia of the Take-over Transactions of between 3.2% and 62.5%, and (bb) below the corresponding mean and median premia of 28.1% and 27.2% of the Take-over Transactions respectively;*
  - (ii) *the premium of the Offer Price over the VWAP of the Shares for the one-, 3-, 6- and 12-month periods prior to the Offer Announcement Date of approximately 18.9%, 16.1%, 17.6% and 16.9% respectively being (aa) within the range of the corresponding premia of the Take-over Transactions, and (bb) below the corresponding mean and median premia of the Take-over Transactions across the respective periods; and*
  - (iii) *the P/NAV ratio as implied by the Offer Price and the Adjusted NAV per Share as at 31 March 2019 of 2.02 times being (aa) within the range of P/NAV ratios of the Take-over Transactions of between 0.56 times and 4.50 times, and (bb) at a premium of approximately 87.0% and 114.9% over the corresponding mean and median P/NAV ratios of the Take-over Transactions of 1.08 times and 0.94 times respectively;*
- (f) *other relevant considerations as follows:*
- (i) *a comparison with the previous take-over offer made by the Offeror for the Company, as set out in paragraph 6.6.1 of this letter;*
  - (ii) *the outlook of the Group, as set out in paragraph 6.6.2 of this letter;*
  - (iii) *the Offer being unconditional in all respects and accordingly, Shareholders who accept the Offer are assured of receiving the Offer Price in respect of all their acceptances of the Offer with no transaction costs involved, as set out in paragraph 6.6.3 of this letter;*
  - (iv) *that notwithstanding the consistent dividend payout over the last 10 years, there is no assurance that the Company will maintain the level of dividends paid in the past financial years after the completion of the Offer, as set out in paragraph 6.6.4 of this letter;*
  - (v) *the absence of alternative or competing take-over offers from third parties as at the Latest Practicable Date and the likelihood of an alternative take-over being remote in view that the Offeror held an aggregate direct and indirect interest of approximately 81.10% of the issued Shares as at the Latest Practicable Date (including valid acceptances of the Offer), as set out in paragraph 6.6.5 of this letter;*
  - (vi) *that as the Offeror holds more than 75.0% of the issued Shares, the Offeror will be in a position to exercise statutory control of the Company which will allow the Offeror the ability to pass all ordinary and special resolutions on matters in which the Offeror and its related parties do not have an interest in at general meetings of Shareholders, as set out in paragraph 6.6.6 of this letter;*
  - (vii) *the limitation on the Offeror to make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer within six (6) months of the Closing Date, as set out in paragraph 6.6.7 of this letter;*
  - (viii) *the listing status and compulsory acquisition of the Company, including the implications and consequences in the event of a trading suspension and/or delisting of the Shares, and the Offeror's intention to consider delisting the Company from the Mainboard of the SGX-ST and its intention, when entitled, to exercise its right of compulsory acquisition, as set out in paragraph 6.6.8 of this letter; and*

(ix) the Offeror's intention in relation to, inter alia, the business operations of Group as set out in paragraph 6.6.9 of this letter.

*Based on our analysis set out above and after considering all relevant information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend that Shareholders **accept** the Offer, unless Shareholders can obtain a price higher than the Offer Price in the open market, taking into account the related expenses such as brokerage and trading costs.*

*In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.*

*Our opinion and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Offer. The recommendation to be made by them to the Shareholders in respect of the Offer shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the purpose of the Offer.*

*This letter is governed by and shall be construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.*

**Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.**

### **8.3 Recommendation of the Independent Directors**

The Independent Directors have reviewed and considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter. The Independent Directors **concur** with the IFA's assessment of the Offer and their advice and recommendation thereon, as extracted from the IFA Letter and reproduced in paragraph 8.2 above. For reference only, an extract of the IFA's advice and recommendation is set out in italics below, which should be considered in the context of the entirety of the IFA Letter and this Circular.

*"Based on our analysis set out above and after considering all relevant information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend that Shareholders **accept** the Offer, unless Shareholders can obtain a price higher than the Offer Price in the open market, taking into account the related expenses such as brokerage and trading costs."*

**Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are advised to read the IFA Letter set out in Appendix I to this Circular carefully before deciding whether to accept or reject the Offer. Shareholders should note that the IFA's advice to the Independent Directors in relation to the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer.**

In making their recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

## 9. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 12 of the Letter to Shareholders in the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### **“12. OVERSEAS SHAREHOLDERS**

**12.1 Overseas Shareholders.** *The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Shareholder should inform himself about and observe any applicable legal requirements, and exercise caution in relation to the Offer, as this Offer Document has not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Offer Document to any overseas jurisdictions, the Offeror, CIMB, CDP and the Registrar each reserves the right not to send this Offer Document, the relevant Acceptance Forms and/or any related documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom this Offer Document and/or the Acceptance Forms have not been, or may not be, sent.***

*Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

*The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.*

*This Offer Document has not been and will not be filed with the authorities of any jurisdiction outside of Singapore.*

**12.2 Copies of this Offer Document and the relevant Acceptance Forms.** *Overseas Shareholders may, nonetheless, obtain copies of this Offer Document and/or any related documents, during normal business hours and up to the Closing Date, from the Offeror through its receiving agent, Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a Scripholder) at its office located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.*

*Alternatively, an Overseas Shareholder may write to the Offeror through Boardroom Corporate & Advisory Services Pte. Ltd. (if he is a Scripholder) at the address listed above or The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road Post Office P.O. Box 1984, Singapore 903934, to request for this Offer Document and/or any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to three Market Days prior to the Closing Date.*

**12.3 Overseas Jurisdiction.** *It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document and/or any related documents or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other*

*requisite payments payable and the Offeror and any person acting on its behalf (including CIMB) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including CIMB) may be required to pay. In (a) requesting for this Offer Document and/or any related documents and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and CIMB that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.***

**12.4 Notice.** *The Offeror and CIMB each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders by announcement to the SGX-ST and if necessary, a paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement."*

## **10. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who wish to accept the Offer, must do so not later than 5.30 p.m. (Singapore time) on 28 June 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror and should follow the procedures as set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

## **11. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS**

Section 13 of the Letter to Shareholders in the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### **"13. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS**

*CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date. CPFIS Investors and SRS Investors will receive the Offer Price payable in respect of their Boardroom Shares validly tendered in acceptance of the Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts."*

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than the IFA Letter for which the IFA has taken responsibility) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular (other than the IFA Letter for which the IFA has taken responsibility) misleading.

Where any information in this Circular (other than the IFA Letter for which the IFA has taken responsibility) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement and the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

The Directors jointly and severally accept responsibility accordingly.

Yours faithfully  
For and on behalf of the Board

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



**LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE INDEPENDENT  
DIRECTORS IN RELATION TO THE OFFER**

14 June 2019

To: The directors of Boardroom Limited (the “**Company**”) who are considered independent for the purposes of making a recommendation to the shareholders of the Company in respect of the Offer (as defined below)

Mr Kim Teo Poh Jin  
Mr Spencer Lee Tien Chye  
Mr Christopher Colin Grubb

Dear Sirs

**VOLUNTARY UNCONDITIONAL CASH OFFER FOR ALL THE ISSUED ORDINARY SHARES IN THE  
CAPITAL OF BOARDROOM LIMITED**

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular to shareholders of the Company dated 14 June 2019 (the “**Circular**”) shall have the same meanings herein.*

**1. INTRODUCTION**

On 15 May 2019, CIMB Bank Berhad, Singapore Branch (“**CIMB**”) announced (the “**Offer Announcement**”), for and on behalf of Salacca Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of G. K. Goh Holdings Limited (“**GKGH**”), that the Offeror intends to make a voluntary unconditional cash offer (the “**Offer**”) for all the issued ordinary shares (the “**Shares**”) in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”) in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Singapore Code on Take-overs and Mergers (the “**Code**”).

The formal Offer Document was despatched to shareholders of the Company (the “**Shareholders**”) on 31 May 2019.

In connection with the Offer, the Company has appointed us as the independent financial adviser to the directors of the Company who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Offer (the “**Independent Directors**”) to provide an assessment on the financial terms of the Offer. This letter, which sets out, *inter alia*, our evaluation and advice, has been prepared for the use of the Independent Directors in connection with their consideration of the Offer and their recommendation to Shareholders arising thereof.

**2. OUR TERMS OF REFERENCE**

We have been appointed as the independent financial adviser to the Independent Directors to provide an assessment of the financial terms of the Offer in order to advise the Independent Directors in respect of their recommendation to Shareholders on the Offer.

Our evaluation is confined to the financial terms of the Offer and it is not within the terms of reference to evaluate the strategic, legal or commercial merits or risks of the Offer or the future growth prospects or earnings potential of the Company and its subsidiaries (collectively, the “**Group**”) after the completion of the Offer. Accordingly, we do not express any view as to the future prices at which the Shares may trade or on the future financial performance of the Group or the Offeror after the completion of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Offer Shares. It is also not within our terms of reference to compare the relative merits of the Offer *vis-à-vis* any alternative transaction that the Company may consider in the future, or any alternative offer that might otherwise be available in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the directors and the management of the Company (the “**Directors**” and “**Management**” respectively) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information contained in the Circular. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge, (a) all material information available to them in connection with the Offer has been disclosed in the Circular, (b) such information (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror and the Offer) is fair and accurate in all material respects, and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on in our evaluation.

Save as disclosed, all information relating to the Group that we have relied upon in arriving at our opinion and advice has been obtained from the Circular, publicly available information, the Directors and/or the Management. We have not conducted a comprehensive independent review of the business, operations or financial condition of the Group and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group at any time or as at 3 June 2019 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and have not been furnished with any such evaluation or appraisals.

We have not been provided with, nor do we have access to, any business plans or financial forecasts or projections of the future performance of the Group for the purpose of evaluating the Offer. Accordingly, we will not be able to comment on the expected future performance or prospects of the Group. However, we may draw upon the views of the Directors and/or the Management, to the extent deemed necessary and appropriate by us, in arriving at our opinion as set out in this letter.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of, the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

**Our opinion and advice in relation to the Offer should be considered in the context of the entirety of this letter and the Circular.**

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

### **3. THE OFFER**

#### **3.1 Terms**

The Offer will be extended to all issued Shares, other than those already owned or agreed to be acquired by the Offeror as at the date of the Offer, but including issued Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer.

#### **3.2 Offer Price**

The Offer price for each Offer Share will be as follows:

**For each Offer Share: S\$0.88 in cash (the “Offer Price”).**

**The Offer Price is final and the Offeror does not intend to increase the Offer Price.**

#### **3.3 Rights and Encumbrances**

The Offer Shares will be acquired (a) fully paid, (b) free from any claims, charges, pledges, mortgages, liens, options, equity, power of sale, declarations of trust, hypothecation, retention of title, rights of pre-emption, rights of first refusal, moratorium or other third party rights or security interests of any kind or an agreement, arrangement or obligation to create any of the foregoing (each, an “**Encumbrance**”) and (c) together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement (the “**Offer Announcement Date**”) and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (“**Distribution**”) declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (“**Accepting Shareholder**”) shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”) and the Offeror is registered as the holder of such Offer Shares as at the Books Closure Date, the Offer Price shall not be reduced for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and
- (b) if such settlement date falls after the Books Closure Date, or if such settlement date falls on or before the Books Closure Date but the Offeror is not registered as the holder of such Offer Shares as at the Books Closure Date, the Offer Price for each such Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.



### 3.4 Unconditional Offer

The Offer will not be subject to any conditions and will be unconditional in all respects.

### 3.5 Closing Date

As stated in the Offer Document, the Offer is open for acceptance by the Shareholders for at least 28 days from 31 May 2019, being the date of despatch of the Offer Document, unless the Offer is withdrawn with the consent of The Securities and Industry Council of Singapore (“SIC”) and every person is released from any obligation incurred thereunder.

**Accordingly, Shareholders should note that the Offer will close at 5.30 p.m. (Singapore time) on 28 June 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

### 3.6 Further Details of the Offer

Further details of the Offer, including (a) the duration of the Offer, (b) the settlement of the consideration for the Offer, (c) the requirements relating to the announcement of the level of acceptances of the Offer, and (d) the right of withdrawal of acceptances of the Offer, are set out in Appendix 1 to the Offer Document.

## 4. INFORMATION ON THE OFFEROR AND GKGH

Details on the Offeror and GKGH have been extracted from Section 4 of the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### **“4. INFORMATION ON THE OFFEROR AND GKGH**

**4.1 *The Offeror.*** *The Offeror is a private limited company incorporated in Singapore on 22 October 2004 and its principal activity is investment holding. The Offeror is a direct wholly-owned subsidiary of GKGH.*

*As at the Latest Practicable Date:*

**4.1.1** *the Offeror has a direct interest in 11,558,243 Boardroom Shares, representing approximately 5.51 per cent. of the total number of Boardroom Shares in issue, and an indirect interest in 158,201,932 Boardroom Shares, representing approximately 75.46 per cent. of the total number of Boardroom Shares in issue. In total, the Offeror’s aggregate interest in the Company amounts to 169,760,175 Boardroom Shares, representing approximately 80.97 per cent. of the total number of Boardroom Shares in issue; and*

**4.1.2** *the Offeror Directors are Mr Goh Geok Khim and Mdm Tang Chon Luang.*

**4.2 *GKGH.*** *GKGH is a public limited company incorporated in Singapore and listed on the Main Board of the SGX-ST. GKGH’s principal activity is that of investment holding, and has operating businesses in aged care and corporate services.*

*As at the Latest Practicable Date:*

**4.2.1** *as the Offeror is a wholly-owned subsidiary of GKGH, GKGH is deemed to be interested in all the Boardroom Shares that the Offeror has an interest in, namely 169,760,175 Boardroom Shares, representing approximately 80.97 per cent. of the total number of Boardroom Shares in issue; and*

**4.2.2** *the directors of GKGH are Mr Goh Geok Khim, Mr Goh Yew Lin, Mr Thomas Teo Liang Huat, Mr Lee Soo Hoon, Mr David Lim Teck Leong and Ms Marie Elaine Teo.*

**4.3 Additional Information. Appendices 3 and 4** to this Offer Document set out additional information on the Offeror and GKGH respectively.”

**5. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS IN RELATION TO THE COMPANY**

The full text of the rationale for the Offer and the Offeror’s intentions for the Company has been extracted from Sections 6, 7 and 8 of the Offer Document, and is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extracts below carefully and note the Offeror’s future plans for the Company.**

**“6. RATIONALE FOR THE OFFER**

**6.1 Opportunity for Shareholders to realise their investment in the Boardroom Shares at a premium over the prevailing trading prices of the Boardroom Shares without incurring brokerage and other costs.** *The Offer Price represents a premium of approximately 18.4 per cent., 16.1 per cent., 17.6 per cent. and 16.7 per cent. over the VWAP per Boardroom Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including the Last Trading Day. The Offer presents Shareholders with an opportunity to realise their investment in the Boardroom Shares at a premium over the prevailing trading prices of the Boardroom Shares without incurring brokerage and other trading costs, which may not otherwise be possible given the thin trading liquidity of the Boardroom Shares.*

**6.2 Low Trading Liquidity.** *The trading volume of the Boardroom Shares has been low, with an average daily trading volume<sup>2</sup> of approximately 2,600 Boardroom Shares, 2,003 Boardroom Shares, 2,672 Boardroom Shares and 2,384 Boardroom Shares during the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively, up to and including the Last Trading Day. These represent only 0.0012 per cent., 0.0010 per cent., 0.0013 per cent. and 0.0011 per cent. of the total number of issued Boardroom Shares for the aforementioned relevant periods, respectively.*

[Footnote]

<sup>2</sup> *The average daily trading volumes are based on data extracted from Bloomberg L.P. and are calculated by using the total volume of Boardroom Shares traded divided by the number of market days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day. Calculation of average daily trading volume does not include married trade transactions within the relevant periods.*

**6.3 Costs of Maintaining Listing.** *In maintaining its listed status, the Company incurs listing, compliance and associated costs. If the Company is delisted and privatised as a consequence of the Offer, the Company will be able to substantially dispense with such costs and instead, focus its resources and attention on its business operations.*

**6.4 Intention to Delist and Privatise the Company.** *The Offeror is making the Offer with a view to delist and privatise the Company. This will enable the Offeror to exercise greater control and management flexibility to pursue and implement the Offeror’s and the Company’s business strategies and other options for the Company.*

**7. THE OFFEROR’S INTENTIONS IN RELATION TO THE COMPANY**

*The Offeror currently intends for the Company to continue its existing business activities and other than in the ordinary course of business, has no current plans to (i) introduce any major changes to the business of the Boardroom Group, (ii) materially re-deploy the fixed assets of the Boardroom Group or (iii) substantially discontinue the employment of the existing employees of the Boardroom Group. The Offeror may, from time to time, consider any options or opportunities in relation to Boardroom or any of its subsidiaries which may present themselves and which it may regard to be in the best interests of the GKGH Group and the Boardroom Group.*

## **8. LISTING STATUS AND COMPULSORY ACQUISITION**

- 8.1 Listing Status and Trading Suspension.** Under Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received that bring the holdings of the Boardroom Shares owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) are held by at least 500 Shareholders who are members of the public.

Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares), thus causing the percentage of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company only at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) is at all times held by the public (the **"Free Float Requirement"**). In addition, under Rule 724 of the Listing Manual, if the percentage of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724 of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of issued Boardroom Shares (excluding treasury Boardroom Shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST. **According to the Company's annual report for FY2018, the percentage of the Boardroom Shares held by members of the public as at 8 March 2019 was approximately 11.46 per cent.**

**In the event that the Free Float Requirement is not satisfied at the close of the Offer and trading in the Boardroom Shares on the SGX-ST is suspended at the close of the Offer, the Offeror and GKGH do not intend to support any action or take any steps to maintain the listing status of the Company or to restore the free float of the Boardroom Shares. The Offeror will also seek a delisting of the Company in such event.**

- 8.2 Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the date of the Offer otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Boardroom Shares in issue (excluding treasury Boardroom Shares) as at the final closing date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer (the **"Dissenting Shareholders"**) on the same terms as those offered under the Offer.

**In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.**

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Boardroom Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the

*Offer, such number of Boardroom Shares which, together with treasury Boardroom Shares and the Boardroom Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of issued Boardroom Shares as at the final closing date of the Offer. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90 per cent. threshold under Section 215(3) of the Companies Act does not exclude Boardroom Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.”*

## 6. FINANCIAL ASSESSMENT OF THE OFFER

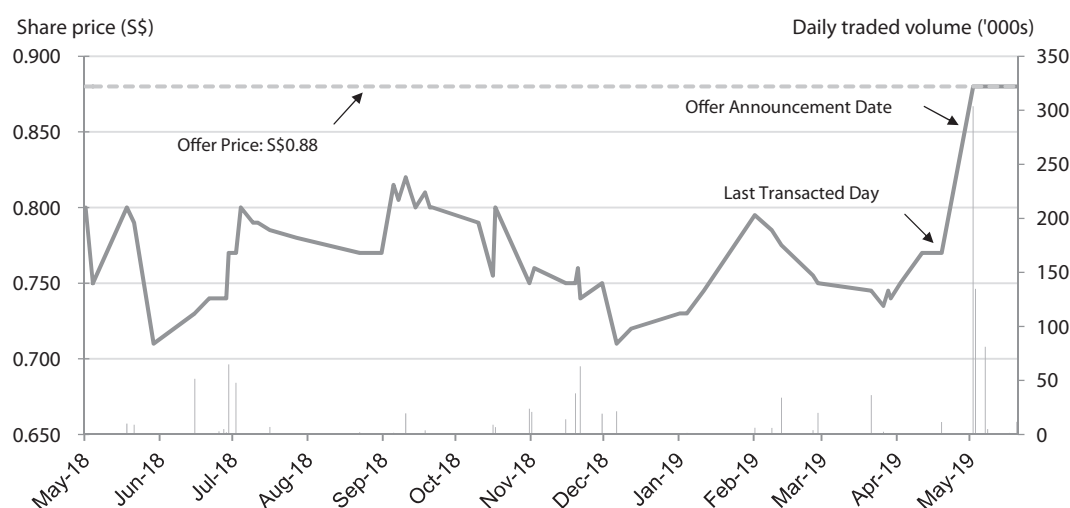
In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (a) Market quotation and trading liquidity of the Shares;
- (b) Historical financial performance of the Group;
- (c) Net asset value (“NAV”) and adjusted NAV of the Group;
- (d) Comparison of valuation statistics of companies broadly comparable to the Group;
- (e) Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST; and
- (f) Other relevant considerations.

### 6.1 Market Quotation and Trading Liquidity of the Shares

#### 6.1.1 Share price performance and trading liquidity of the Shares

The Shares were halted for trading on the Offer Announcement Date before trading hours and lifted after the release of the Offer Announcement after trading hours. A graphical representation of the daily closing prices and volume traded of the Shares for the period commencing 12 months prior to the Offer Announcement Date, and ending on the Latest Practicable Date is set out below:



Source: Bloomberg L.P.

A summary of the salient announcements relating to the Group's business operations and the Offer during the aforesaid period is as follows:

Date	Event
16 July 2018	Announcement on the conditional share sale agreement entered into on 13 July 2018 with Symphony House Sdn. Bhd. to acquire 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. (the <b>"Proposed Symphony Subsidiaries Acquisition"</b> ) for an aggregate consideration of RM164.139 million (equivalent to approximately S\$55.64 million) to be satisfied by RM123.311 million in cash, and RM40.828 million through the issuance of 16,000,000 new ordinary Shares in the capital of the Company (the <b>"Consideration Shares"</b> ) at an issue price of S\$0.865 per Consideration Share.
3 August 2018	Announcement on the unaudited interim financial results for the 6-month financial period ended 30 June 2018 ( <b>"6M2018"</b> ) of the Group, which reported a 45.1% increase in profit attributable to owners of the parent from approximately S\$3.8 million in the 6-month financial period ended 30 June 2017 to approximately S\$5.6 million in 6M2018.
24 August 2018	Announcement on the receipt of the in-principle approval of the SGX-ST for the listing and quotation of the Consideration Shares.
28 August 2018	<p>Announcement on the completion of the Proposed Symphony Subsidiaries Acquisition and the increase in the total number of issued and paid-up Shares from 193,660,184 Shares to 209,660,184 Shares pursuant to the issuance and allotment of the Consideration Shares.</p> <p>Announcement on Symphony House Sdn. Bhd. becoming a substantial shareholder of the Company pursuant to the allotment and issuance of the Consideration Shares, with a resultant shareholding of approximately 7.63% of the issued Shares.</p>
30 August 2018	Announcement on the Company's subscription of 300,000 new ordinary shares at S\$1.00 per share in the share capital of its wholly-owned subsidiary, Boardroom Executive Services Pte. Ltd.
5 November 2018	Announcement on the unaudited interim financial results for the 9-month financial period ended 30 September 2018 ( <b>"9M2018"</b> ) of the Group, which reported a 19.8% increase in profit attributable to owners of the parent from approximately S\$5.5 million in the 9-month financial period ended 30 September 2017 to approximately S\$6.6 million in 9M2018.
26 December 2018	Release of the sustainability report of the Company for the financial year ended 31 December 2017 ( <b>"FY2017"</b> ).
8 January 2019	Replacement announcement on the sustainability report of the Company for FY2017.
25 February 2019	Announcement on the unaudited financial results for the financial year ended 31 December 2018 ( <b>"FY2018"</b> ) of the Group, which reported a 34.3% decrease in profit attributable to owners of the parent from approximately S\$10.6 million in FY2017 to approximately S\$7.0 million in FY2018.



Date	Event
27 February 2019	Announcement on the Company's subscription of 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.
5 April 2019	<p>Release of the annual report for FY2018.</p> <p>Announcement on the notice of annual general meeting ("<b>Notice of AGM</b>") to be held on 23 April 2019 (the "<b>2019 AGM</b>").</p> <p>Release of the sustainability report of the Company for FY2018.</p>
15 April 2019	Release of the corrigendum to the annual report for FY2018.
23 April 2019	<p>Announcement on the results of the 2019 AGM whereby all resolutions relating to the matters set out in the Notice of AGM were duly passed.</p> <p>Announcement on the final one-tier tax exempt cash dividend for FY2018 of S\$0.02 per Share, notice of books closure date on 2 May 2019 and payment date on 17 May 2019.</p>
7 May 2019	Announcement on the unaudited interim financial results for the 3-month financial period ended 31 March 2019 (" <b>3M2019</b> ") of the Group, which reported a 78.4% decrease in profit attributable to owners of the parent from approximately S\$1.9 million in the 3-month financial period ended 31 March 2018 (" <b>3M2018</b> ") to approximately S\$0.4 million in 3M2019.
15 May 2019	<p>Announcement on the request for trading halt of the Shares.</p> <p>Announcement on the voluntary unconditional cash offer for the Offer Shares by CIMB for and on behalf of the Offeror.</p> <p>Announcement from the Board of Directors of the Company of the Offer.</p> <p>Announcement on the request for lifting of trading halt of the Shares.</p>
16 May 2019	<p>Announcement on appointment of SAC Capital Private Limited as the independent financial adviser to the directors of the Company who are considered independent for the purposes of the Offer.</p> <p>Announcement on Shares acquired by the Offeror on 16 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 303,700 Shares. The Offeror and its concert parties hold a resultant total of 169,708,075 Shares or approximately 80.94% of the Company's total issued Shares.</p>
17 May 2019	Announcement on Shares acquired by the Offeror on 17 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 134,800 Shares. The Offeror and its concert parties hold a resultant total of 170,012,875 Shares or approximately 81.09% of the Company's total issued Shares.
21 May 2019	Announcement on Shares acquired by the Offeror on 21 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 81,100 Shares. The Offeror and its concert parties hold a resultant total of 170,093,975 Shares or approximately 81.13% of the Company's total issued Shares.

Date	Event
22 May 2019	Announcement on Shares acquired by the Offeror on 22 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 5,000 Shares. The Offeror and its concert parties hold a resultant total of 170,098,975 Shares or approximately 81.13% of the Company's total issued Shares.
23 May 2019	Announcement on Shares acquired by the Offeror on 23 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 200 Shares. The Offeror and its concert parties hold a resultant total of 170,099,175 Shares or approximately 81.13% of the Company's total issued Shares.
24 May 2019	Announcement on Shares acquired by the Offeror on 24 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 1,000 Shares. The Offeror and its concert parties hold a resultant total of 170,352,175 Shares or approximately 81.25% of the Company's total issued Shares.
27 May 2019	Announcement on Shares acquired by the Offeror on 27 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 500 Shares. The Offeror and its concert parties hold a resultant total of 170,352,675 Shares or approximately 81.25% of the Company's total issued Shares.
29 May 2019	Announcement on Shares acquired by the Offeror on 29 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 500 Shares. The Offeror and its concert parties hold a resultant total of 170,353,175 Shares or approximately 81.25% of the Company's total issued Shares.
30 May 2019	Announcement on Shares acquired by the Offeror on 30 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 1,000 Shares. The Offeror and its concert parties hold a resultant total of 170,354,175 Shares or approximately 81.25% of the Company's total issued Shares.
31 May 2019	Announcement on despatch of the Offer Document dated 31 May 2019.  Announcement on Shares acquired by the Offeror on 31 May 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 1,500 Shares and the level of acceptances received by the Offeror as at 31 May 2019 amounting to 258,300 Offer Shares. The Offeror and its concert parties hold a resultant total of 170,613,975 Shares or approximately 81.38% of the Company's total issued Shares, including the valid acceptances of the Offer.
3 June 2019	Announcement on Shares acquired by the Offeror on 3 June 2019 on the SGX-ST pursuant to Rule 12.1 of the Code, amounting to 11,700 Shares and the level of acceptances received by the Offeror as at 3 June 2019 amounting to 258,300 Offer Shares. The Offeror and its concert parties hold a resultant total of 170,625,675 Shares or approximately 81.38% of the Company's total issued Shares, including the valid acceptances of the Offer.

*Source: Announcements relating to the Group on the SGXNet*

As shown in the Share price chart above, the Shares have traded consistently below the Offer Price for the 12-month period prior to the Offer Announcement Date, with closing prices of the Shares fluctuating between the range of S\$0.710 and S\$0.820. Prior to the Offer Announcement Date, the Shares last traded at S\$0.770 (the “**Last Transacted Price**”) on 3 May 2019, being the last Market Day on which the Shares were traded prior to the Offer Announcement Date (the “**Last Transacted Day**”). The Offer Price represents a premium of approximately 14.3% over the Last Transacted Price of S\$0.770 on the Last Transacted Day.

We also note that the Shares were traded on 55 out of a total of 250 Market Days for the 12-month period prior to the Offer Announcement Date, representing 22.0% of the total number of Market Days during the period.

We note that subsequent to the Offer Announcement, the closing prices of the Shares had risen to S\$0.880 (which is equivalent to the Offer Price) and had consistently closed at the Offer Price during the period after the Offer Announcement Date and up to the Latest Practicable Date.

Additional information on the traded closing prices of the Shares, volume-weighted average prices (“**VWAPs**”) and average daily trading volumes for the reference period(s) (a) prior to the Offer Announcement Date, and (b) the period after the Offer Announcement Date and up to the Latest Practicable Date is set out as follows:

	Highest closing price (S\$)	Lowest closing price (S\$)	VWAP (S\$)	Premium of Offer Price over VWAP (%)	Average daily trading volume <sup>(1)</sup> ('000)	Average daily trading volume as percentage of free float <sup>(2)</sup> (%)
<b>(a) Periods prior to the Offer Announcement Date</b>						
Last 12 months	0.820	0.710	0.753	16.9	2	0.008
Last 6 months	0.795	0.710	0.748	17.6	2	0.008
Last 3 months	0.795	0.735	0.758	16.1	2	0.008
Last one month	0.770	0.750	0.740	18.9	1	0.004
Last Market Day prior to the Offer Announcement Date	0.770	0.770	0.770 <sup>(3)</sup>	14.3	12	0.050
<b>(b) Period after the Offer Announcement Date and up to the Latest Practicable Date</b>						
Period after the Offer Announcement Date and up to the Latest Practicable Date	0.880	0.880	0.880	—	45	0.187
Latest Practicable Date	0.880	0.880	0.880 <sup>(4)</sup>	—	12	0.050

Source: Bloomberg L.P.

**Notes:**

- (1) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded divided by the number of Market Days during the relevant periods.
- (2) Free float refers to the Shares other than those held by the Directors, substantial shareholders of the Company and their associates (as defined in the Listing Manual) which amounts to 24,023,809 Shares.
- (3) This refers to the closing price of the Shares on 3 May 2019, being the last Market Day on which the Shares were traded prior to the Offer Announcement Date.
- (4) This refers to the closing price of the Shares on the Latest Practicable Date.



We note the following with regard to the Share prices:

Periods prior to the Offer Announcement Date

- (a) during the 12-month period prior to the Offer Announcement Date, the closing prices of the Shares ranged between a low of S\$0.710 (on 12 June 2018 and 20 December 2018) and a high of S\$0.820 (on 24 September 2018). The Offer Price represents (i) a premium of approximately 23.9% over the lowest closing price of the Shares, and (ii) a premium of approximately 7.3% over the highest closing price of the Shares, during the aforesaid 12-month period;
- (b) the Offer Price represents a premium of approximately 16.9%, 17.6%, 16.1% and 18.9% over the VWAP of the Shares for the 12-, 6-, 3- and one-month periods prior to the Offer Announcement Date respectively; and
- (c) the Offer Price represents a premium of approximately 14.3% over the closing price of the Shares of S\$0.770 on 3 May 2019, being the last Market Day on which the Shares were traded prior to the Offer Announcement Date.

Period after the Offer Announcement Date and up to the Latest Practicable Date

- (a) the closing prices of the Shares had consistently traded at S\$0.880 (which is equivalent to the Offer Price) for the period after the Offer Announcement Date and up to the Latest Practicable Date.

We also note the following with regard to the trading liquidity of the Shares:

Periods prior to the Offer Announcement Date

- (a) during the 12-month period prior to the Offer Announcement Date, the Shares were traded on 55 out of a total of 250 Market Days (or 22.0% of the total number of Market Days during the period), with an average daily trading volume of approximately 2,000 Shares; and
- (b) the average daily trading volume of the Shares for the 12-, 6-, 3- and one-month periods prior to the Offer Announcement Date represents approximately 0.008%, 0.008%, 0.008% and 0.004% of the free float respectively;

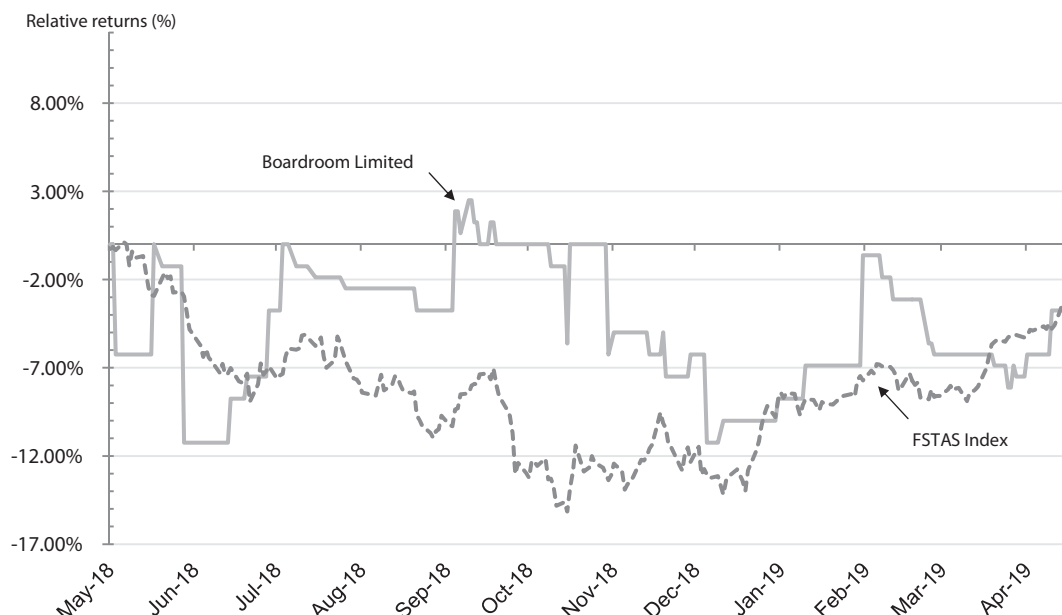
Period after the Offer Announcement Date and up to the Latest Practicable Date

- (a) during the period from 16 May 2019 (being the Market Day immediately after the Offer Announcement Date) and up to the Latest Practicable Date, the Shares were traded on 11 out of a total of 12 Market Days (or approximately 91.7% of the total number of Market Days during the period), with an average daily trading volume of approximately 45,000 Shares;
- (b) the average daily trading volume of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date represents approximately 0.187% of the free float; and
- (c) during the period after the Offer Announcement Date and up to the Latest Practicable Date, based on publicly available information, the Offeror had acquired a total of 541,000 Shares, representing almost 100.0% of the total volume of the Shares transacted during the aforesaid period.

### 6.1.2 Relative performance of the Shares versus the market index

For the period commencing 12 months prior to the Offer Announcement Date

The chart below sets out the relative returns (daily basis) of the Shares in relation to the relative returns (daily basis) of the FTSE ST All Share Index<sup>1</sup> (the “**FSTAS Index**”) for the period commencing 12 months prior to the Offer Announcement Date (namely, from 15 May 2018 to the Last Transacted Day):



Source: Bloomberg L.P.

We observed that during the aforesaid period, the Shares had generally outperformed the FSTAS Index in relative terms, save for the periods between mid-June 2018 to mid-July 2018 and during April 2019 where the Shares generally underperformed the FSTAS Index.

For the period commencing on the Last Transacted Day and ending on the Latest Practicable Date

We have also reviewed the relative performance of the Shares against the closing prices of the FSTAS Index on the Last Transacted Day and on the Latest Practicable Date:

	As at the Last Transacted Day	As at the Latest Practicable Date	% change
Company (S\$)	0.770	0.880	14.3
FSTAS Index	819.9	761.7	(7.1)

Source: Bloomberg L.P.

We note that the Share price had appreciated by 14.3% as compared to a decrease of 7.1% in the FSTAS Index over the aforesaid period.

Based on the above observations, it would appear that the trading activity and the closing price of the Shares as at the Latest Practicable Date were supported by the Offer. There is no assurance that the closing price of the Shares would remain at the current level prevailing as at the Latest Practicable Date after the close of the Offer. Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a guarantee of its future trading performance, which will depend on, amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

<sup>1</sup> The FSTAS Index is a market capitalisation weighted index that tracks the performance of companies listed on the SGX-ST that are within the top 98% by market capitalisation.

## 6.2 Historical Financial Performance of the Group

The salient financial information of the Group for the financial years ended 31 December 2016 (“FY2016”), FY2017, FY2018, 3M2018 and 3M2019 respectively is set out in the table below. The following summary financial information should be read in conjunction with the full text of the annual reports and results announcements of the Group in respect of the relevant financial periods including the notes thereto.

### Consolidated Statements of Comprehensive Income

(S\$'000)	← Audited →			← Unaudited →	
	FY2016	FY2017	FY2018	3M2018	3M2019
Revenue	77,068 <sup>(1)</sup>	80,674 <sup>(1)</sup>	91,591	19,050	22,338
Profit before tax	8,989	12,305	9,256	2,454	835
Profit attributable to owners of the parent	7,246	10,573	6,950	1,932	418

### Consolidated Statements of Cash Flow

(S\$'000)	← Audited →			← Unaudited →	
	FY2016	FY2017	FY2018	3M2018	3M2019
Net cash flows from operating activities	7,256	11,440	14,634	2,028	1,008
Net cash flows (used in) investing activities	(2,733)	(5,149)	(45,535)	(4,020)	(470)
Net cash flows (used in)/from financing activities	(5,373)	(5,373)	34,908	–	(2,551)
Net (decrease)/increase in cash and cash equivalents	(850)	918	4,007	(1,992)	(2,013)
Cash and cash equivalents at end of financial year/period	20,185	20,899	24,622	18,770	22,614

Source: Annual reports of the Company for FY2017 and FY2018 and unaudited consolidated interim financial results of the Group for 3M2019 respectively

#### **Note:**

- (1) The Group has adopted the Singapore Financial Reporting Standards (International) (“SFRS(I)”) framework, a new financial reporting framework identical to the International Financial Reporting Standards, for the first time for FY2018. The impact of the adoption of the new SFRS(I) accounting framework on the Group’s financial statements, in particular SFRS(I) 15 – “Revenue from Contracts with Customers”, is detailed in the Company’s annual report containing the audited consolidated financial statements of the Group for FY2018. The Group has restated some of its comparative financials for FY2016 and FY2017 accordingly.

### Consolidated Statements of Comprehensive Income

#### *FY2016 vs FY2017*

The Group’s revenue increased by approximately S\$3.6 million or 4.7% from approximately S\$77.1 million in FY2016 to approximately S\$80.7 million in FY2017, mainly due to (a) increased revenue from provision of share registry and listing-related services driven by the vibrant initial public offering (“IPO”) market in Hong Kong in FY2017, (b) increased demand for the Group’s corporate secretarial services from an upswing in corporate activities in the region and (c) the Group’s acquisition of Boardworx Pty Ltd on 3 July 2017, a leading corporate secretarial services provider in Sydney, Australia, which contributed approximately S\$0.5 million of revenue from the date of acquisition.

The profit attributable to owners of the parent increased by approximately S\$3.3 million or 45.9% from approximately S\$7.2 million in FY2016 to approximately S\$10.6 million in FY2017, mainly due to (a) the higher revenue and (b) the improvement in net profit margins of the Group from 9.4% in FY2016 to 13.1% in FY2017 as a result of higher productivity with cost(s) containment initiatives.

### *FY2017 vs FY2018*

The Group's revenue increased by approximately S\$10.9 million or 13.5% from approximately S\$80.7 million in FY2017 to approximately S\$91.6 million in FY2018, mainly due to (a) further expansion of market share in the share registry and listing-related service business on the back of a surging Hong Kong IPO market, and (b) increase in volume of the Group's share registry, corporate secretarial and other business services for listed and non-listed companies as a result of its strategic acquisitions in Australia and Malaysia, which included the acquisitions of (a) Corporate Counsel Pty Limited based in Australia on 31 January 2018, and (b) Symphony Corporatehouse Sdn. Bhd. and its subsidiary, Symphony Share Registrars Sdn. Bhd. and Malaysian Issuing House Sdn. Bhd. (collectively, the **"Symphony Companies"**) which were all based in Malaysia on 28 August 2018.

Notwithstanding the increase in revenue, the profit attributable to owners of the parent decreased by approximately S\$3.6 million or 34.3% from approximately S\$10.6 million in FY2017 to approximately S\$7.0 million in FY2018, mainly due to (a) a charge of approximately S\$2.1 million for unrealised currency loss arising from the revaluation of AUD denominated redeemable preference shares in an Australian subsidiary due to the different accounting treatment with the adoption of SFRS(I) 9 – "Financial Instruments", (b) non-recurring costs relating to the acquisition of the Symphony Companies of approximately S\$1.0 million and (c) increase in interest expenses relating to debt taken out to partially fund the acquisitions of approximately S\$0.8 million.

### *3M2018 vs 3M2019*

The Group's revenue for 3M2019 increased by approximately S\$3.3 million or 17.3% from approximately S\$19.1 million in 3M2018 to approximately S\$22.3 million in 3M2019. The higher revenue was attributable to contribution from the acquired Symphony Companies in Malaysia, which were acquired on 28 August 2018 in 3M2019.

Notwithstanding the increase in revenue, the profit attributable to owners of the parent decreased by approximately S\$1.5 million or 78.4% from approximately S\$1.9 million in 3M2018 to approximately S\$0.4 million in 3M2019, mainly due to an increase in staff related costs of approximately S\$1.6 million which was attributable to increased headcount as well as higher salaries to attract staff in the highly competitive labour markets that the Group operates in.

### Consolidated Statements of Cash Flow

The Group generated positive net cash flows from operating activities in the last 3 financial years ended 31 December 2018, which increased from approximately S\$7.3 million in FY2016 to approximately S\$11.4 million in FY2017 and approximately S\$14.6 million in FY2018 respectively. The Group recorded a net cash flow from operating activities of approximately S\$1.0 million in 3M2019 *vis-à-vis* approximately S\$2.0 million in 3M2018.

The Group had recorded net cash flows generated from operating activities of approximately S\$14.6 million in FY2018 mainly due to operating profit before working capital changes of approximately S\$16.3 million, net working capital inflow of approximately S\$1.2 million, and partially offset by interest paid of approximately S\$0.8 million and tax expenses paid of approximately S\$2.0 million. The net working capital inflow was mainly due to increase in operating payables of approximately S\$1.7 million and contract liabilities of approximately S\$0.4 million, offset by increase in operating receivables and prepayments of approximately S\$0.8 million and unbilled receivables of approximately S\$0.1 million.

The Group had recorded net cash flows generated from operating activities of approximately S\$1.0 million in 3M2019 mainly due to operating profit before working capital changes of approximately S\$3.0 million, offset by net working capital outflow of approximately S\$1.3 million, interest expense paid of approximately S\$0.6 million and income tax paid of approximately S\$0.1 million. The net working capital outflow was mainly due to decrease in operating payable of approximately S\$3.2 million and increase in unbilled receivables of approximately S\$5.7 million, partially offset by decrease in operating receivables and prepayments of approximately S\$0.6 million and increase in contract liabilities of approximately S\$7.0 million.

The Group's net cash flows used in investing activities in FY2016, FY2017, FY2018 and 3M2019 mainly relate to the acquisition of subsidiaries and associates, property, plant and equipment, computer software and intangibles. The significant increase in cash flow used in investing activities in FY2018 was due to the acquisition of the Symphony Companies which included a cash consideration of RM123.311 million (equivalent to approximately S\$41.1 million).

The Group's net cash flows used for financing activities in FY2016, FY2017 and 3M2019 mainly relate to cash dividends paid on ordinary Shares and repayment of bank borrowings. In FY2018, the Group recorded net cash flows from financing activities of approximately S\$34.9 million due to proceeds from loans and borrowings of approximately S\$42.5 million mainly to finance the acquisition of the Symphony Companies, partially offset by cash dividends paid on ordinary Shares of approximately S\$4.8 million and repayment of bank borrowings of approximately S\$2.7 million.

Taking into account (a) the cash and cash equivalents at the beginning of 3M2019 of approximately S\$24.6 million and (b) the net decrease in cash and cash equivalents of approximately S\$2.0 million, the Group's cash and cash equivalent as at 31 March 2019 amounted to approximately S\$22.6 million.

### 6.3 NAV and Adjusted NAV of the Group

#### 6.3.1 Financial Position of the Group

A summary of the financial position of the Group as at 31 December 2018 and 31 March 2019 is set out as follows:

<b>(S\$'000)</b>	<b>Audited As at 31 December 2018</b>	<b>Unaudited As at 31 March 2019</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,693	2,599
Computer software	7,577	7,941
Intangible assets	111,332	110,736
Investment in associate	3,159	3,193
Deferred tax assets	805	806
Right of use	—	12,784
Finance lease receivables	—	810
<b>Total non-current assets</b>	<b>125,566</b>	<b>138,869</b>
<b>Current assets</b>		
Trade and other receivables	23,832	23,031
Unbilled receivables	1,835	7,570
Short-term investments	935	949
Tax recoverable	364	378
Finance lease receivables	—	438
Cash and cash equivalents	24,622	22,614
<b>Total current assets</b>	<b>51,588</b>	<b>54,980</b>
<b>Total assets</b>	<b>177,154</b>	<b>193,849</b>

<b>(S\$'000)</b>	<b>Audited As at 31 December 2018</b>	<b>Unaudited As at 31 March 2019</b>
<b>Current liabilities</b>		
Trade and other payables	20,030	16,686
Bank borrowings	10,800	10,800
Contract liabilities	4,421	11,435
Derivative liabilities	109	351
Lease liabilities	—	4,553
Income tax payable	1,241	1,663
<b>Total current liabilities</b>	<b>36,601</b>	<b>45,488</b>
<b>Non-current liabilities</b>		
Bank borrowings	37,450	35,550
Lease liabilities	—	9,545
Provision for employees benefits	234	239
Deferred tax liabilities	7,563	7,381
<b>Total non-current liabilities</b>	<b>45,247</b>	<b>52,715</b>
<b>Total liabilities</b>	<b>81,848</b>	<b>98,203</b>
<b>Net assets</b>	<b>95,306</b>	<b>95,646</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	50,034	50,034
Reserves	45,272	45,612
<b>Total equity</b>	<b>95,306</b>	<b>95,646</b>

Source: Unaudited consolidated interim financial results of the Group for 3M2019

As at 31 March 2019, the Group recorded total assets of approximately S\$193.8 million which comprised mainly the following:

- (a) intangible assets amounting to approximately S\$110.7 million or 57.1% of total assets. As at 31 March 2019, intangible assets comprised (i) goodwill on consolidation with a net carrying amount of approximately S\$84.6 million arising from the acquisition of Singapore, Australia, Hong Kong, and Malaysia subsidiaries as at 31 March 2019, and (ii) customer relationships with a net carrying amount of approximately S\$26.1 million. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. 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;
- (b) trade and other receivables amounting to approximately S\$23.0 million or 11.9% of total assets;
- (c) cash and cash equivalents amounting to approximately S\$22.6 million or 11.7% of total assets;



- (d) right of use of leased assets amounting approximately S\$12.8 million or 6.6% of total assets due to the adoption of SFRS(I) 16 – “Leases” effective for the period commencing 1 January 2019;
- (e) computer software amounting to approximately S\$7.9 million or 4.1% of total assets;
- (f) unbilled receivables of approximately S\$7.6 million or 3.9% of total assets. The significant increase in unbilled receivables from approximately S\$1.8 million as at 31 December 2018 to approximately S\$7.6 million as at 31 March 2019 was mainly due to the reclassification of credit balances recorded under unbilled receivables as at 31 December 2018 to contract liabilities in 3M2019;
- (g) investment in associate amounting to approximately S\$3.2 million or 1.6% of total assets. Investment in associate relates to a 31.5% shareholding interest in the associate, Definitiv Group Pty Ltd;
- (h) property, plant and equipment amounting to approximately S\$2.6 million or 1.3% of total assets;
- (i) finance lease receivables amounting to approximately S\$1.2 million or 0.6% of total assets;
- (j) deferred tax assets and tax recoverable amounting to approximately S\$1.2 million or 0.6% of total assets; and
- (k) short-term investments relating to investments in quoted securities amounting to approximately S\$0.9 million or 0.5% of total assets.

As at 31 March 2019, the Group recorded total liabilities of approximately S\$98.2 million which comprised mainly the following:

- (a) bank borrowings amounting to approximately S\$46.4 million or 47.2% of total liabilities;
- (b) trade and other payables amounting to approximately S\$16.7 million or 17.0% of total liabilities. The decrease in trade and other payables from approximately S\$20.0 million as at 31 December 2018 to approximately S\$16.7 million as at 31 March 2019 was due to the payment of bonus and sundry creditors of approximately S\$3.8 million in 3M2019, offset by an increase in trade creditors of approximately S\$0.5 million;
- (c) lease liabilities amounting to approximately S\$14.1 million or 14.4% of total liabilities due to the adoption of SFRS(I) 16 – “Leases” effective for the period commencing 1 January 2019;
- (d) contract liabilities amounting to approximately S\$11.4 million or 11.6% of total liabilities. The significant increase in contract liabilities from approximately S\$4.4 million as at 31 December 2018 to approximately S\$11.4 million as at 31 March 2019 was mainly due to the reclassification of credit balances recorded under unbilled receivables as at 31 December 2018 to contract liabilities in 3M2019;
- (e) income tax payable and deferred tax liabilities amounting to approximately S\$9.0 million or 9.2% of total liabilities;
- (f) derivative liabilities amounting to approximately S\$0.4 million or 0.4% of total liabilities; and
- (g) provision for employees benefits amounting to approximately S\$0.2 million or 0.2% of total liabilities.

As at 31 March 2019, the equity attributable to owners of the parent amounted to approximately S\$95.6 million.

### 6.3.2 Book NAV of the Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all the liabilities of the group. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders' equity.

Notwithstanding the foregoing, Shareholders should note that an analysis based on the NAV of the Group provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

We note that the Group has substantial intangible assets (comprising goodwill, customer relationships and computer software) which represent in aggregate approximately 61.2% of total assets as at 31 March 2019. Based on its latest unaudited financial statements as at 31 March 2019, excluding intangible assets, the Group would be in a net tangible liabilities position and it would render an assessment of the NTA not meaningful. Accordingly, we have evaluated the Company based on the NAV approach rather than the net tangible assets approach.

Based on its latest unaudited financial statements as at 31 March 2019, the unaudited NAV of the Group amounted to approximately S\$95.6 million as at 31 March 2019 or S\$0.456 per Share (based on 209,660,184 Shares in issue as at 31 March 2019). We note that the Offer Price represents a premium of approximately 93.0% over the NAV per Share of S\$0.456 as at 31 March 2019. Accordingly, the Price-to-book NAV ("**P/NAV**") ratio of the Group implied by the Offer Price would be approximately 1.93 times as at 31 March 2019.

As at 31 March 2019, the Group's cash and cash equivalents amounted to approximately S\$22.6 million. Taking into account the borrowings which amounted to approximately S\$46.4 million, the Group would record a net debt position of approximately S\$23.7 million. Accordingly, we have not compared the Offer Price *vis-à-vis* the NAV of the Group on an ex-cash basis.

### 6.3.3 Adjusted NAV of the Group

On 23 April 2019, the Company declared a first and final one-tier tax exempt cash dividend of S\$0.02 per Share or approximately S\$4.2 million (based on 209,660,184 issued Shares as at 31 March 2019) for FY2018 and was subsequently paid on 17 May 2019. Adjusting for the dividend payment of approximately S\$4.2 million or S\$0.02 per Share, the unaudited NAV of the Group as at 31 March 2019 (the "**Adjusted NAV**") would have been approximately S\$91.5 million or S\$0.436 per Share (based on 209,660,184 issued Shares as at 31 March 2019). Accordingly, the Offer Price represents a premium of approximately 101.8% over the Adjusted NAV of the Group, and the Price-to-Adjusted NAV ("**P/ANAV**") ratio of the Group implied by the Offer Price would be approximately 2.02 times as at 31 March 2019.

In our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that as recorded in the Statement of Financial Position of the Group as at 31 March 2019 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that may have a material impact on the unaudited NAV of the Group as at 31 March 2019.

Save as disclosed above, the Directors have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) there are no material differences between the realisable values of the Group's assets and their respective book values as at the Latest Practicable Date which would have a material impact on the unaudited NAV of the Group as at 31 March 2019;



- (b) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that recorded in the unaudited Statement of Financial Position of the Group as at 31 March 2019;
- (c) there have been no material disposals or acquisitions of assets by the Group between 31 March 2019 and the Latest Practicable Date, and the Group does not have any plans for such impending material disposal or acquisition of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business;
- (d) there are no indicators of impairment on the intangible assets that would require the Group to perform further impairment tests;
- (e) there are no contingent liabilities, bad or doubtful debts or impairment losses or material events which are likely to have a material impact on the unaudited NAV of the Group as at 31 March 2019;
- (f) there are no litigation, claim or proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have an adverse material impact on the financial position of the Group; and
- (g) there are no other intangible assets as at the Latest Practicable Date which ought to be disclosed in the Statement of Financial Position of the Group in accordance with the SFRS(I) and which have not been disclosed that would have a material impact on the unaudited NAV of the Group as at 31 March 2019.

#### 6.4 Comparison of Valuation Statistics of Companies Broadly Comparable to the Group

In considering what may be regarded as a reasonable range of valuation for the purpose of assessing the financial terms of the Offer, we have referred to selected listed companies on various stock exchanges which business activities are broadly comparable with those of the Group to give an indication of the current market expectations with regard to the perceived valuation of these businesses.

The Company is an SGX-listed company and is principally engaged in the core businesses of providing corporate secretarial, share registry, business solutions and advisory (accounting, taxation and payroll) services, with five reportable operating segments including Singapore, Australia, Hong Kong, Malaysia and China. We have, in consultation with the Management, used the following companies listed on the Australian Securities Exchange ("**ASX**") and the SGX-ST which are principally engaged in the business of providing the above named professional business services (the "**Comparable Companies**") with market capitalisations of not exceeding S\$1.0 billion to get an indication of the current market expectations with regard to the perceived valuation of the Group.

We wish to highlight that the Comparable Companies are not exhaustive and there is no listed company or group which may be considered identical to the Group in terms of, *inter alia*, business activities, market capitalisation, scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal business of the Group. As such, any comparison made herein is strictly limited in scope and merely serves as an illustrative guide to Shareholders.

Details on the Comparable Companies, including their business descriptions and selected key financial and valuation statistics, are set out below and in Annex A to this letter:

- (a) Axcelasia Inc. ("**Axcelasia**");
- (b) Zico Holdings Inc. ("**Zico**");
- (c) Advanced Share Registry Limited ("**ASR**");

- (d) Countplus Limited (“**Countplus**”); and
- (e) Kelly Partners Group Holdings Limited (“**Kelly Partners**”).

In assessing the financial terms of the Offer, we have used the following valuation parameters in our analysis:

Valuation parameter	Description
Price-earnings ratio (“ <b>PER</b> ”) ratio	<p>The historical PER, which illustrates the ratio of the market price of a company’s shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest full-year net earnings per share <i>vis-à-vis</i> the corresponding historical PER of the Group based on the Offer Price and the audited net earnings per Share for FY2018.</p>
Price-to-NAV ratio (“ <b>P/NAV</b> ”) ratio	<p>An NAV-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NAV-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical P/NAV ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest announced NAV per share as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet that may affect the NAV per share, where relevant), <i>vis-à-vis</i> the corresponding historical P/NAV ratio of the Group based on the Offer Price and the Adjusted NAV per Share of the Group as at 31 March 2019.</p>
Enterprise value to EBITDA (“ <b>EV/EBITDA</b> ”) ratio	<p>The historical EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. “EV” is the sum of a company’s market capitalisation, preferred equity, minority interests, short- and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. “EBITDA” refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.</p> <p>We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance-</p>

sheet values (as adjusted for any corporate activities which were undertaken after the latest available balance sheet that may affect the EV, where relevant) and latest full-year EBITDA *vis-à-vis* the corresponding historical EV/EBITDA ratio of the Group based on the Offer Price.

#### Comparative valuation statistics of the Comparable Companies *vis-à-vis* the Group

The following table sets out the comparative valuation statistics of the Comparable Companies *vis-à-vis* the Group as implied by the Offer Price:

Company	Historical PER (times)	Historical P/NAV ratio (times)	Historical EV/EBITDA ratio (times)
Axcelasia	19.79	1.01	4.34
Zico	39.99	1.13	12.79
ASR	11.57	3.53	6.95
Countplus	10.84 <sup>(1)</sup>	0.96	5.47 <sup>(2)</sup>
Kelly Partners	7.47	2.33	4.17
<b>High</b>	39.99	3.53	12.79
<b>Mean</b>	12.42 <sup>(3)</sup>	1.79	6.74
<b>Median</b>	11.21 <sup>(3)</sup>	1.13	5.47
<b>Low</b>	7.47	0.96	4.17
<b>Company (Implied by the Offer Price)</b>	<b>25.20</b>	<b>2.02<sup>(4)</sup></b>	<b>15.91</b>

Source: Bloomberg L.P., annual reports and/or announcements of the respective Comparable Companies and SAC Capital's computations

#### **Notes:**

- (1) Computed based on the earnings per share from continued operations on a trailing 12-month basis due to significant discontinued operations in the latest full financial year ended 30 June 2018 and significant fluctuations in earnings due to material acquisitions carried out during the period between January 2018 to December 2018.
- (2) Computed based on the EBITDA on a trailing 12-month basis.
- (3) Excludes Zico as a statistical outlier in the computations of the mean and median PER ratio.
- (4) Based on the Offer Price and the Adjusted NAV per Share of the Group as at 31 March 2019.

#### Historical PER comparison

We note that the historical PER of 25.20 times of the Group as implied by the Offer Price is:

- (a) within the range of historical PERs of the Comparable Companies of between 7.47 times and 39.99 times; and
- (a) at a premium of approximately 102.9% and 124.8% over the mean and median historical PERs of the Comparable Companies of 12.42 times and 11.21 times respectively.

#### Historical P/NAV comparison

We note that the historical P/NAV ratio of 2.02 times of the Group as implied by the Offer Price and the Adjusted NAV per Share as at 31 March 2019 is:

- (a) within the range of historical P/NAV ratios of the Comparable Companies of between 0.96 times and 3.53 times; and
- (b) at a premium of approximately 12.8% and 78.8% over the mean and median historical P/NAV ratios of the Comparable Companies of 1.79 times and 1.13 times respectively.

#### Historical EV/EBITDA comparison

We note that the historical EV/EBITDA ratio of 15.91 times of the Group as implied by the Offer Price is:

- (a) above the range of historical EV/EBITDA ratios of the Comparable Companies of between 4.17 times and 12.79 times; and
- (b) at a premium of approximately 136.1% and 190.9% over the mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.74 times and 5.47 times respectively.

#### **6.5 Comparison with Recent Successful Privatisation Transactions and Delisting Offers of Companies Listed on the SGX-ST**

In assessing the reasonableness of the Offer in light of the stated intention of the Offeror to delist the Shares from the Official List of the SGX-ST, we have compared the financial terms of the Offer with (a) selected recent successful privatisation transactions announced on the SGX-ST during the 12-month period prior to the Offer Announcement Date, whether by way of a general offer under the Code or a scheme of arrangement under Section 210 of the Companies Act where the offeror has stated its intention to delist the target company from the Official List of the SGX-ST, and (b) selected recent completed delisting offers under Rule 1307 of the Listing Manual announced during the 12-month period prior to the Offer Announcement Date (collectively, the **"Take-over Transactions"**). As some of the Take-over Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their last announced book values, we have also, where relevant, compared the financial terms of such offer transactions with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Take-over Transactions where available.

We wish to highlight that the Take-over Transactions set out below are by no means exhaustive. In addition, as the Group is not directly comparable to the target companies involved in the Take-over Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, risk profile, accounting policies, financial performance, operating and financial leverage, track record and future prospects, the comparison merely serves as a general guide to provide an indication of the premia/discounts paid in connection with privatisation transactions and delisting offers of companies listed on the SGX-ST. Each of the Take-over Transactions must be judged on its own commercial and financial merits. Shareholders should also note that the premium (if any) to be paid by an offeror in a privatisation transaction or delisting offer varies in different circumstances depending on, *inter alia*, the offeror's intentions with regard to the target company, the potential synergy that the offeror can gain from acquiring the target company, the attractiveness of the underlying business, prevailing market expectations and the presence of competing bids. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

Company	Date of offer announcement	Last trading day	Offer price (\$S)	Premium of offer price over					Offer price-to-NAV ratio (times)																												
				last transacted price	1-month VWAP prior to announcement	3-month VWAP	6-month VWAP	12-month VWAP																													
Wheelock Properties (Singapore) Limited	19 July 2018	13 July 2018	2.10	20.7	29.0	22.7	17.8	13.3	0.84 <sup>(1)</sup>																												
Keppel Telecommunications & Transportations Ltd	27 September 2018	21 September 2018	1.91	40.4	39.5	34.9	28.1	24.9	1.21 <sup>(2)</sup>																												
M1 Limited	27 September 2018	21 September 2018	2.06	26.4	29.9	29.1	21.8	18.0	3.85 <sup>(2)</sup>																												
Cityneon Holdings Limited	29 October 2018	24 October 2018	1.30	3.2	6.9	11.9	15.7	18.9	4.50 <sup>(2)</sup>																												
PCI Limited	4 January 2019	17 September 2018 <sup>(3)</sup>	1.33	27.9	44.0	47.2	50.9	60.1	1.97 <sup>(2)</sup>																												
DeClout Limited	7 January 2019	6 September 2018 <sup>(4)</sup>	0.13	62.5	66.7	66.7	58.5	51.2	1.00 <sup>(1)</sup>																												
Courts Asia Limited	18 January 2019	16 January 2019	0.205	34.9	35.8	34.0	23.5	(16.7)	0.56 <sup>(1)</sup>																												
Kingboard Copper Foil Holdings Limited	4 April 2019	1 April 2019	0.60	9.1	16.1	25.3	27.4	32.5	0.88 <sup>(1)</sup>																												
<table><tr><td>High</td><td>62.5</td><td>66.7</td><td>66.7</td><td>58.5</td><td>60.1</td><td>4.50</td></tr><tr><td>Mean</td><td>28.1</td><td>33.5</td><td>34.0</td><td>30.5</td><td>25.3</td><td>1.08<sup>(5)</sup></td></tr><tr><td>Median</td><td>27.2</td><td>32.9</td><td>31.6</td><td>25.5</td><td>21.9</td><td>0.94<sup>(5)</sup></td></tr><tr><td>Low</td><td>3.2</td><td>6.9</td><td>11.9</td><td>15.7</td><td>(16.7)</td><td>0.56</td></tr></table>										High	62.5	66.7	66.7	58.5	60.1	4.50	Mean	28.1	33.5	34.0	30.5	25.3	1.08 <sup>(5)</sup>	Median	27.2	32.9	31.6	25.5	21.9	0.94 <sup>(5)</sup>	Low	3.2	6.9	11.9	15.7	(16.7)	0.56
High	62.5	66.7	66.7	58.5	60.1	4.50																															
Mean	28.1	33.5	34.0	30.5	25.3	1.08 <sup>(5)</sup>																															
Median	27.2	32.9	31.6	25.5	21.9	0.94 <sup>(5)</sup>																															
Low	3.2	6.9	11.9	15.7	(16.7)	0.56																															
Company (Implied by the Offer Price)	15 May 2019	3 May 2019	0.88	14.3	18.9	16.1	17.6	16.9	2.02 <sup>(6)</sup>																												

Source: Announcements and circulars to shareholders in relation to the respective Take-over Transactions and SAC Capital's computations

**Notes:**

- (1) Based on the revalued NAV or pro forma NAV per share as extracted from the independent financial adviser's letters for the respective companies.
- (2) Based on the NAV per share as extracted from the independent financial adviser's letters for the respective companies.
- (3) On 18 September 2018, PCI Limited ("**PCI**") announced that its controlling shareholder, Chuan Hup Holdings Limited, had been approached by a third party in connection with a potential transaction in relation to the securities of PCI and that discussions were on-going. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 17 September 2017, being the last undisturbed trading date.
- (4) Declout Limited ("**Declout**") had a significant stake in Procurri Corporation Limited ("**Procurri**", and together with its subsidiaries, the "**Procurri Group**") and had treated and consolidated the results of the Procurri Group as its subsidiary. On 7 September 2018, Procurri announced that it had received an unsolicited, non-binding indication of interest from a third party to acquire the shares in Procurri by way of a possible voluntary general offer subject to, amongst others, due diligence. On 6 January 2019, Declout announced that it had been notified by its chairman and group chief executive officer of a potential voluntary general offer for the shares in Declout by an independent third party. On 7 January 2019, the voluntary conditional cash offer for all the issued shares in Declout was made. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 6 September 2018, being the last undisturbed trading date.
- (5) M1 Limited and Cityneon Holdings Limited have been excluded in the calculation of mean and median offer price-to-NAV ratios as statistical outliers.
- (6) Based on the Offer Price and the Adjusted NAV of the Group as at 31 March 2019.



We note that in respect of the Take-over Transactions:

- (a) the premium of the Offer Price over the last transacted price of the Shares prior to the Offer Announcement Date of approximately 14.3% is:
  - (i) within the range of the corresponding premia of the Take-over Transactions of between 3.2% and 62.5%; and
  - (ii) below the corresponding mean and median premia of 28.1% and 27.2% of the Take-over Transactions respectively;
- (b) the premium of the Offer Price over the VWAP of the Shares for the one-month period prior to the Offer Announcement Date of approximately 18.9% is:
  - (i) within the range of the corresponding premia of the Take-over Transactions of between 6.9% and 66.7%; and
  - (ii) below the corresponding mean and median premia of 33.5% and 32.9% of the Take-over Transactions respectively;
- (c) the premium of the Offer Price over the VWAP of the Shares for the 3-month period prior to the Offer Announcement Date of approximately 16.1% is:
  - (i) within the range of the corresponding premia of the Take-over Transactions of between 11.9% and 66.7%; and
  - (ii) below the corresponding mean and median premia of 34.0% and 31.6% of the Take-over Transactions respectively;
- (d) the premium of the Offer Price over the VWAP of the Shares for the 6-month period prior to the Offer Announcement Date of approximately 17.6% is:
  - (i) within the range of the corresponding premia of the Take-over Transactions of between 15.7% and 58.5%; and
  - (ii) below the corresponding mean and median premia of 30.5% and 25.5% of the Take-over Transactions respectively;
- (e) the premium of the Offer Price over the VWAP of the Shares for the 12-month period prior to the Offer Announcement Date of approximately 16.9% is:
  - (i) within the range of the corresponding premia of the Take-over Transactions of between a discount of 16.7% and a premium of 60.1%; and
  - (ii) below the corresponding mean and median premia of 25.3% and 21.9% of the Take-over Transactions respectively;
- (f) the P/NAV ratio as implied by the Offer Price and the Adjusted NAV per Share as at 31 March 2019 of 2.02 times is:
  - (i) within the range of P/NAV ratios of the Take-over Transactions of between 0.56 times and 4.50 times; and
  - (ii) at a premium of approximately 87.0% and 114.9% over the mean and median P/NAV ratios of the Take-over Transactions of 1.08 times and 0.94 times respectively.

## 6.6 Other Relevant Considerations

### 6.6.1 Previous take-over offer made by the Offeror for the Company

On 22 January 2014, CIMB announced, for and on behalf of the Offeror, that on 22 January 2014, the Offeror had effected a direct business trade with Third Avenue Management LLC, which serves as an investment adviser to Third Avenue International Value Fund, to acquire in aggregate 19,396,784 Shares, representing approximately 10.35% of the Shares, for a cash consideration of S\$0.575 per Share (the “**Third Avenue Acquisition**”). As a consequence of the Third Avenue Acquisition, the aggregate interest of the Offeror and parties acting in concert with the Offeror has increased from 63,278,030 Shares, representing approximately 33.76% of the Shares, to 82,674,814 Shares, representing approximately 44.11% of the Shares and accordingly, the Offeror is required to make a mandatory general offer for the rest of the Shares pursuant to Rule 14 of the Code (the “**2014 Offer**”).

Company	Type	Date of offer announcement	Offer Price (\$)	Premium/ (discount) of offer price over / (to) last transacted price prior to announcement of offer (%)	Historical PER (times)	Historical P/NAV ratio (times)	Historical EV/EBITDA ratio (times)
Company	Mandatory general offer	22 January 2014	0.575	(0.9) <sup>(1)</sup>	13.0 <sup>(1)</sup>	1.7 <sup>(1)</sup>	8.1 <sup>(1)</sup>
Company	Voluntary general offer	15 May 2019	0.880	14.3	25.20	2.02 <sup>(2)</sup>	15.91

#### Notes:

(1) As extracted from the independent financial adviser's letter dated 21 February 2014 on the 2014 Offer.

(2) Based on the Offer Price and the Adjusted NAV of the Group as at 31 March 2019.

Based on the comparison of the two offers as set out above, we note that:

- (a) the Offer Price is higher than the 2014 Offer;
- (b) the premium of the Offer Price over the last transacted price prior to the Offer Announcement Date is higher than in the 2014 Offer; and
- (c) the PER, P/NAV ratio, and EV/EBITDA ratio as implied by the Offer Price are higher than those in the 2014 Offer.

Shareholders should note that the 2014 Offer was made to comply with Rule 14 of the Code as a result of the Third Avenue Acquisition and not with the intention of privatising the Company. Accordingly, any comparison made herein is strictly limited in scope.

### 6.6.2 Outlook of the Group

We note that the Group had, in the 3M2019 results announcement, included a commentary on the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group for the next reporting period and the next 12 months which is reproduced in italics below:

*“General business trends indicate a greater degree of cautiousness since the beginning of 2019. Although there continues to be growth, this is at a slower pace. However, we are expanding our capabilities and taking advantage of this slow down to reach out to a broader market.*

*The IPO market has seen a significant slowdown given the global trade issues and market conditions remain sensitive to further developments. In spite of this, we continue to invest in technology and diversify our service offerings. Competition has always remained keen.*

*Financing and Depreciation & Amortisation costs have increased in line with our expansion and subsequent integration of all our businesses. We are mindful of the cost challenges faced by the business and will continue to drive productivity and regionalisation of our business activities.*

*The acquisition in Malaysia last year is going according to plan. Overall, we expect the Group’s performance to remain satisfactory.”*

### 6.6.3 Offer is unconditional in all respects

As the Offer is unconditional in all respects, Shareholders who accept the Offer are assured of receiving the Offer Price in respect of all their acceptances of the Offer with no transaction costs involved.

Shareholders may also wish to note that the Offeror has stated that the Offer Price of S\$0.88 is final and that it does not intend to increase the Offer Price.

### 6.6.4 Historical dividend yields of the Company

We note that the Company has paid dividends consistently in the past 10 years. We set out below an analysis of the dividends declared and the dividend payout ratio for the last three financial years ended 31 December 2018, and the implied dividend yield based on the closing price of the Shares on the final cum-dividend date:

(S\$)	FY2016	FY2017	FY2018
Final dividend per Share	0.020	0.025	0.020
<b>Total Dividend per Share</b>	<b>0.020</b>	<b>0.025</b>	<b>0.020</b>
<b>Dividend payout ratio<sup>(1)</sup> (%)</b>	<b>53.5</b>	<b>45.8</b>	<b>57.3</b>
Share price on final cum-dividend date <sup>(2)</sup>	0.62	0.72	0.77
<b>Total dividend yield (%)</b>	<b>3.23</b>	<b>3.47</b>	<b>2.60</b>

Source: Bloomberg L.P. and the Company’s announcements on the SGXNet

#### Notes:

- (1) Based on the total dividends per Share declared over the earnings per Share in each of the respective financial years.
- (2) Based on the closing market prices of the Company as at the final cum-dividend date in respect of the final dividends declared for each of the respective financial years.

Notwithstanding the past dividend payouts, the Directors have confirmed to us that the Company does not have a fixed dividend policy. Shareholders should note that past dividend payouts should not be in any way relied upon as an indication or promise of the Company's future dividend payouts. There is no assurance that the Company will maintain the level of dividends paid in the past financial years after the completion of the Offer. As stated in the Company's annual report for FY2018, in fixing a dividend for any year, the board of directors of the Company considers a number of factors, including current and forecast earnings, capital expenditure requirements, growth options and the Company's debt/equity position.

#### 6.6.5 Absence of alternative or competing offers

As at the Latest Practicable Date, other than the Offer, there is no publicly available evidence of an alternative or competing offer for the Shares from any other party. We note that the likelihood of an alternative take-over offer is remote in view that as at the Latest Practicable Date, the Offeror has an aggregate direct and indirect interest of approximately 81.10% of the issued Shares (including valid acceptances of the Offer).

In addition, the Directors have confirmed that as at the Latest Practicable Date, apart from the Offer, they have not received any alternative or competing offer for the Shares from any other party.

#### 6.6.6 Statutory control of the Company by the Offeror

As at the Latest Practicable Date, the Offeror has an aggregate direct and indirect interest in 170,034,675 Shares (including valid acceptances of the Offer), representing approximately 81.10% of the issued Shares.

As the Offeror holds more than 75.0% of the issued Shares, the Offeror will be in a position to exercise statutory control of the Company which will allow the Offeror the ability to pass all ordinary and special resolutions on matters in which the Offeror and its related parties do not have an interest in at general meetings of Shareholders.

#### 6.6.7 Limitation on subsequent offers by the Offeror

As the Offer is unconditional in all respects and the Offeror together with its concert parties hold Shares carrying more than 50.0% of the voting rights of the Company, Shareholders should note that under Rule 33.2 of the Code, neither the Offeror nor any person acting in concert with it may (except with the consent of the SIC), within six (6) months of the Closing Date, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer.

Shareholders should also note that as the Offer is unconditional in all respects, the Offeror and its concert parties will be free to increase their shareholding in the Company after the close of the Offer without incurring a take-over obligation under Rule 14 of the Code if their aggregate voting rights remain at above 49.0% in the six (6) months prior to any such subsequent acquisition of Shares.

#### 6.6.8 Listing status and compulsory acquisition of the Company

##### *Listing status and trading suspension*

Shareholders should note that, pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that the acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and its concert parties to above 90.0% of the total number of issued Shares (excluding treasury Shares), the SGX-ST may suspend the trading of the listed securities of the Company until it is satisfied that at least 10.0% of the total number of issued Shares (excluding treasury Shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90.0% of the total number of issued Shares (excluding treasury Shares), thus causing the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands to fall below 10.0%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, pursuant to Rule 724 of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands falls below 10.0%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all securities of the Company on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding treasury Shares) in public hands to at least 10.0%, failing which the Company may be removed from the Official List of the SGX-ST. **According to the Company's annual report for FY2018, the percentage of the Shares held by members of the public as at 8 March 2019 was approximately 11.46%.**

#### *Compulsory acquisition*

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the date of the Offer otherwise than through valid acceptances of the Offer in respect of not less than 90.0% of the total number of Shares in issue (excluding treasury Shares) as at the final closing date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.

In addition, dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury Shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90.0% or more of the total number of issued Shares as at the final closing date of the Offer. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90.0% threshold under Section 215(3) of the Companies Act does not exclude Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.

Shareholders should note that as at the Latest Practicable Date, there is no assurance that, (a) the Offeror would be in a position to exercise its right to compulsory acquisition under Section 215(1) of the Companies Act, (b) the Dissenting Shareholders would be in a position to require the Offeror to acquire their Shares under Section 215(3) of the Companies Act, or (c) there would remain a sufficient public float in the Shares to maintain the listing status of the Shares.

**As stated in the Section 6 of the Offer Document, the Offeror is making the Offer with a view to delist and privatise the Company. Consistent therewith, the Offeror, when entitled, intends to exercise its right to compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support any action or take any steps to maintain the listing status of the Company or to restore the free float of the Shares in the event that, *inter alia*, less than 10.0% of the total number of Shares (excluding any Shares held by the Company as treasury Shares) are held in public hands. The Offeror will also seek a delisting of the Company in such event.**

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of listed companies as a result of marketability. In the event that the Company is delisted, it is likely to be difficult for the Shareholders who do not accept the Offer to sell their Shares in the absence of a public market for the Shares. In addition, the Shareholders may receive a lower price as compared to the Offer Price if they intend to sell the Shares after the Company is delisted. Shareholders should also note that any transfer or sale of Shares represented by share certificates will be subject to stamp duty.

#### 6.6.9 Offeror's intention for the Company

As set out in Section 7 of the Offer Document, the Offeror currently intends for the Company to continue its existing business activities and other than in the ordinary course of business, has no current plans to (a) introduce any major changes to the business of the Group, (b) materially re-deploy the fixed assets of the Group or (c) substantially discontinue the employment of the existing employees of the Group. The Offeror may, from time to time, consider any options or opportunities in relation to the Company or any of its subsidiaries which may present themselves and which it may regard to be in the best interests of the GKGH Group and the Group.

### 7. OUR OPINION AND ADVICE

In arriving at our opinion and advice in respect of the Offer, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer:

- (a) an assessment of the market quotation and trading liquidity of the Shares as follows:
  - (i) in relation to Share prices:
    - (aa) the closing prices of the Shares being below the Offer Price for the 12-month period prior to the Offer Announcement Date;
    - (bb) the Offer Price representing a premium of approximately 23.9% and 7.3% over the lowest and highest closing prices of the Shares during the 12-month period prior to the Offer Announcement Date respectively;
    - (cc) the Offer Price representing a premium of approximately 16.9%, 17.6%, 16.1% and 18.9% over the VWAP of the Shares for the 12-, 6-, 3- and one-month periods prior to the Offer Announcement Date respectively;
    - (dd) the Offer Price representing a premium of approximately 14.3% over the closing price of the Shares of S\$0.770 on 3 May 2019, being the last Market Day on which the Shares were traded prior to the Offer Announcement Date; and
    - (ee) the Offer Price being equal to the VWAP of the Shares of S\$0.88 for the period after the Offer Announcement and up to the Latest Practicable Date and as at the Latest Practicable Date;
  - (ii) in relation to trading liquidity of the Shares:
    - (aa) the Shares being traded on 22.0% of the total number of Market Days during the 12-month period prior to the Offer Announcement Date, with an average daily trading volume of approximately 2,000 Shares;
    - (bb) the average daily trading volume of the Shares for the 12-, 6-, 3- and one-month periods prior to the Offer Announcement Date representing approximately 0.008%, 0.008%, 0.008% and 0.004% of the free float respectively; and
    - (cc) the average daily trading volume of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date representing approximately 0.187% of the free float, with the Offeror acquiring a total of 541,000 Shares, representing almost 100.0% of the total volume of the Shares transacted during the aforesaid period;
  - (iii) in relation to the relative performance of the Shares versus the FSTAS Index:
    - (aa) the Shares generally outperforming against the FSTAS Index in relative terms for the period commencing 12 months prior to the Offer Announcement Date, save for periods between mid-June 2018 and mid-July 2018, and during April 2019 where the Shares generally underperformed the FSTAS Index;



- (bb) the Share price having appreciated by approximately 14.3% as compared to a decrease of approximately 7.3% in the FSTAS Index for the period commencing on the Last Transacted Day and ending on the Latest Practicable Date; and
  - (cc) the trading activity and closing price of the Shares as at the Latest Practicable Date appearing to be supported by the Offer, and may not be sustained at current levels after the close of the Offer;
- (b) historical financial performance of the Group, as set out in paragraph 6.2 of this letter;
- (c) a comparison with the book NAV and Adjusted NAV of the Group as follows:
  - (i) the Offer Price representing a premium of approximately 93.0% over the unaudited NAV per Share of S\$0.456 as at 31 March 2019; and
  - (ii) the Offer Price representing a premium of approximately 101.8% over the Adjusted NAV per Share of S\$0.436 as at 31 March 2019;
- (d) a comparison with the valuation statistics of the Comparable Companies as follows:
  - (i) the historical PER of 25.20 times of the Group as implied by the Offer Price being (aa) within the range of historical PERs of the Comparable Companies of between 7.47 times and 39.99 times, and (bb) at a premium of approximately 102.9% and 124.8% over the mean and median historical PERs of the Comparable Companies of 12.42 times and 11.21 times respectively;
  - (ii) the historical P/NAV ratio of 2.02 times of the Group as implied by the Offer Price and the Adjusted NAV per Share as at 31 March 2019 being (aa) within the range of historical P/NAV ratios of the Comparable Companies of between 0.96 times and 3.53 times, and (bb) at a premium of approximately 12.8% and 78.8% over the mean and median historical P/NAV ratios of the Comparable Companies of 1.79 times and 1.13 times respectively; and
  - (iii) the historical EV/EBITDA ratio of 15.91 times of the Group as implied by the Offer Price being (aa) above the range of historical EV/EBITDA ratios of the Comparable Companies of between 4.17 times and 12.79 times, and (bb) at a premium of approximately 136.1% and 190.9% over the mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.74 times and 5.47 times respectively;
- (e) a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST as follows:
  - (i) the premium of the Offer Price over the last transacted price of the Shares prior to the Offer Announcement Date of approximately 14.3% being (aa) within the range of the corresponding premia of the Take-over Transactions of between 3.2% and 62.5%, and (bb) below the corresponding mean and median premia of 28.1% and 27.2% of the Take-over Transactions respectively;
  - (ii) the premium of the Offer Price over the VWAP of the Shares for the one-, 3-, 6- and 12-month periods prior to the Offer Announcement Date of approximately 18.9%, 16.1%, 17.6% and 16.9% respectively being (aa) within the range of the corresponding premia of the Take-over Transactions, and (bb) below the corresponding mean and median premia of the Take-over Transactions across the respective periods; and
  - (iii) the P/NAV ratio as implied by the Offer Price and the Adjusted NAV per Share as at 31 March 2019 of 2.02 times being (aa) within the range of P/NAV ratios of the Take-over Transactions of between 0.56 times and 4.50 times, and (bb) at a premium of approximately 87.0% and 114.9% over the corresponding mean and median P/NAV ratios of the Take-over Transactions of 1.08 times and 0.94 times respectively;

- (f) other relevant considerations as follows:
- (i) a comparison with the previous take-over offer made by the Offeror for the Company, as set out in paragraph 6.6.1 of this letter;
  - (ii) the outlook of the Group, as set out in paragraph 6.6.2 of this letter;
  - (iii) the Offer being unconditional in all respects and accordingly, Shareholders who accept the Offer are assured of receiving the Offer Price in respect of all their acceptances of the Offer with no transaction costs involved, as set out in paragraph 6.6.3 of this letter;
  - (iv) that notwithstanding the consistent dividend payout over the last 10 years, there is no assurance that the Company will maintain the level of dividends paid in the past financial years after the completion of the Offer, as set out in paragraph 6.6.4 of this letter;
  - (v) the absence of alternative or competing take-over offers from third parties as at the Latest Practicable Date and the likelihood of an alternative take-over being remote in view that the Offeror held an aggregate direct and indirect interest of approximately 81.10% of the issued Shares as at the Latest Practicable Date (including valid acceptances of the Offer), as set out in paragraph 6.6.5 of this letter;
  - (vi) that as the Offeror holds more than 75.0% of the issued Shares, the Offeror will be in a position to exercise statutory control of the Company which will allow the Offeror the ability to pass all ordinary and special resolutions on matters in which the Offeror and its related parties do not have an interest in at general meetings of Shareholders, as set out in paragraph 6.6.6 of this letter;
  - (vii) the limitation on the Offeror to make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer within six (6) months of the Closing Date, as set out in paragraph 6.6.7 of this letter;
  - (viii) the listing status and compulsory acquisition of the Company, including the implications and consequences in the event of a trading suspension and/or delisting of the Shares, and the Offeror's intention to consider delisting the Company from the Mainboard of the SGX-ST and its intention, when entitled, to exercise its right of compulsory acquisition, as set out in paragraph 6.6.8 of this letter; and
  - (ix) the Offeror's intention in relation to, *inter alia*, the business operations of Group as set out in paragraph 6.6.9 of this letter.

Based on our analysis set out above and after considering all relevant information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend that Shareholders **accept** the Offer, unless Shareholders can obtain a price higher than the Offer Price in the open market, taking into account the related expenses such as brokerage and trading costs.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Offer. The recommendation to be made by them to the Shareholders in respect of the Offer shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the purpose of the Offer.

This letter is governed by and shall be construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**SAC CAPITAL PRIVATE LIMITED**

Ong Hwee Li  
CEO

Chow You Yah  
Partner

## Latest full financial year

Company	Stock exchange	Business description (as extracted from Bloomberg)	Share price as at the Latest Practicable Date	Market Capitalisation as at the Latest Practicable Date (million)	Financial year-end	Revenue (million)	Net profit/(loss) after tax attributable to shareholders (million)
Axcelasia Inc.	SGX-Catalist	Axcelasia Inc. provides integrated professional services mainly in Malaysia to government-linked entities, private and public listed companies, and multinational corporations. The company's four key business segments are tax advisory, business consultancy, enterprise management system application, and business support.	S\$0.065	S\$10.4	31 December	RM25.2	RM1.6
Zico Holdings Inc.	SGX-Catalist	Zico Holdings Inc. is an integrated network of professional service firms focused on the ASEAN region, providing advisory and transactional services, management and support services, and licensing services.	S\$0.142	S\$46.0	31 December	RM90.1	RM3.3
Advanced Share Registry Limited	ASX	Advanced Share Registry Limited offers share registry services. The company provides registry services to listed and unlisted clients on a state and national basis.	A\$0.620	A\$26.5	30 June	A\$5.9	A\$2.3
Countplus Limited	ASX	Countplus Limited offers accounting and other services. Through subsidiaries, the company offers accounting, financial planning, lending, legal, tax, corporate advisory, and payroll management services. Countplus franchises some of its locations.	A\$0.480	A\$53.0	30 June	A\$101.1 <sup>(1)</sup>	A\$1.3 <sup>(1)</sup>
Kelly Partners Group Holdings Limited	ASX	Kelly Partners Group Holdings Limited operates as a holding company. The company, through its subsidiaries, provides accounting and taxation services to private organizations. Kelly Partners Group serves customers in Australia and Hong Kong.	A\$0.720	A\$32.8	30 June	A\$39.5	A\$4.4

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies

**Note:**

(1) This relates to the revenue and net profit attributable to shareholders of Countplus Limited from continuing operations for the latest full financial year ended 30 June 2018.

## ADDITIONAL GENERAL INFORMATION

### 1. DIRECTORS

The names, addresses and appointments of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Appointment
Mr Goh Geok Khim	c/o 50 Raffles Place, #33-00 Singapore Land Tower, Singapore 048623	Non-Executive and Non-Independent Chairman
Mr Kim Teo Poh Jin	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Executive Director and Group Chief Executive Officer
Mr Goh Yew Lin	c/o 50 Raffles Place, #33-00 Singapore Land Tower, Singapore 048623	Alternate Director to Mr Goh Geok Khim
Mr Spencer Lee Tien Chye	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Non-Executive and Independent Director
Mr Christopher Colin Grubb	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Non-Executive and Independent Director
Mr Thomas Teo Liang Huat	c/o 50 Raffles Place, #33-00 Singapore Land Tower, Singapore 048623	Non-Executive and Non-Independent Director
Mr Mak Lye Mun	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Non-Executive and Independent Director

### 2. HISTORY AND BUSINESS

The Company is a public limited company incorporated in Singapore and listed on the Main Board of the SGX-ST. The Boardroom Group is one of Asia-Pacific's leading providers of corporate secretarial, share registry, business solutions and advisory (accounting, taxation and payroll) services.

### 3. SHARE CAPITAL

#### 3.1 Issued Share Capital

The Company has only one (1) class of shares, being ordinary shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$50,033,746 comprising 209,660,184 issued Shares. As at the Latest Practicable Date, there are no treasury shares held in the issued share capital of the Company. The issued Shares are listed and quoted on the Main Board of the SGX-ST.

There is no restriction in the Constitution on the right to transfer any Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

### 3.2 Rights in respect of Capital, Voting and Dividends

The rights of Shareholders in respect of capital, voting and dividends are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends are reproduced in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

### 3.3 Number of Shares Issued Since the End of FY2018

As at the Latest Practicable Date, no new Shares have been issued by the Company since the end of FY2018.

### 3.4 Outstanding Instruments Convertible into Shares

As at the Latest Practicable Date, the Company has not issued any instruments convertible into, rights to subscribe for, or Options in respect of, securities being offered for or which carry voting rights affecting the Shares that are outstanding as at the Latest Practicable Date.

## 4. DISCLOSURE OF INTERESTS

### 4.1 Interests of the Company in Offeror Securities

The Company does not have any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

### 4.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### 4.3 Interests of the Directors in Offeror Securities

Mr Goh Geok Khim and Mr Goh Yew Lin are deemed to have an interest in the two (2) ordinary shares in the issued and paid-up share capital of the Offeror, representing 100 per cent. of the shareholding interest in the Offeror, by virtue of their shareholding interest of not less than 20 per cent. in GKGI. GKGI is the ultimate holding company of GKGH, which in turn owns 100 per cent. of the shareholding interest in the Offeror.

Save as disclosed in this Circular, none of the Directors has any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

### 4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### 4.5 Interests of the Directors in Company Securities

As at the Latest Practicable Date, save as disclosed below and in this Circular, none of the Directors has any direct or deemed interests in any Company Securities:

Name	Direct		Deemed		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Goh Geok Khim <sup>(1)</sup>	—	—	169,776,375	80.98	169,776,375	80.98
Goh Yew Lin <sup>(1)</sup>	—	—	169,776,375	80.98	169,776,375	80.98
Thomas Teo Liang Huat	150,000	0.07	—	—	150,000	0.07

**Note:**

<sup>(1)</sup> Mr Goh Geok Khim and Mr Goh Yew Lin are deemed to have an interest in the shares which GKGI has an interest by virtue of their holdings of not less than 20 per cent. of the voting shares in GKGI.



#### **4.6 Dealings in Company Securities by the Directors**

None of the Directors has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### **4.7 Company Securities owned or controlled by SAC Capital**

As at the Latest Practicable Date, none of SAC Capital, its related corporations or any funds whose investments are managed by SAC Capital on a discretionary basis owns or controls any Company Securities.

#### **4.8 Dealings in Company Securities by SAC Capital**

As at the Latest Practicable Date, none of SAC Capital, its related corporations or any funds whose investments are managed by SAC Capital on a discretionary basis has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### **4.9 Directors' Intentions**

Mr Thomas Teo Liang Huat, a Director who holds Shares, intends to reject the Offer in respect of all the Shares held by him.

#### **4.10 Directors' service contracts**

As at the Latest Practicable Date, there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation, and there are no such service contracts entered into or amended by the Company or any of its subsidiaries during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### **4.11 Other Disclosures**

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

Mr Goh Geok Khim and Mr Goh Yew Lin have entered into service contracts with GKGH, in the capacities of Executive Chairman and Managing Director respectively. The contracts are reviewed annually by the remuneration committee of GKGH ("**Remuneration Committee**"). Any revision is subject to the Remuneration Committee's approval. These service contracts are disclosed in GKGH's annual report, copies of which are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

### **5. MATERIAL CONTRACTS WITH INTERESTED PERSONS**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date.

## 6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. The Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

## 7. FINANCIAL INFORMATION FOR THE GROUP

Set out below is certain financial information extracted from the Annual Reports for FY2016, FY2017 and FY2018 respectively and from the unaudited consolidated financial statements of the Group for the 3 months ended 31 March 2019. The unaudited consolidated financial statements of the Group for the 3 months ended 31 March 2019 (“3M2019”) and the audited consolidated financial statements of the Group for FY2018 are set out in Appendices IV and V to this Circular respectively.

	Unaudited 3M FY2019 S\$'000	Audited FY2018 S\$'000	Audited FY2017 S\$'000	Audited FY2016 S\$'000
Revenue	22,338	91,591	80,674 <sup>1</sup>	77,068 <sup>1</sup>
Exceptional items	—	—	—	—
Profit before tax	835	9,256	12,305	8,989
Profit after tax	418	6,950	10,573	7,246
Minority Interest	—	—	—	—
Net Earnings weighted average per share (cents)	0.20	3.49	5.46	3.74
Net Dividends per share (cents)	—	2.00	2.50	2.00

*Note 1 - Restated for SFRS(I) 15 (Revenue from contracts with customers)*

Statement of the assets and liabilities of the Group for the 3 months ended 31 March 2019 are set out in the unaudited consolidated financial statements of the Group for the 3 months ended 31 March 2019. For the financial year ended 2018, the assets and liabilities of the Group are set out in the audited consolidated financial statements of the Group for FY2018. The above can be found in Appendices IV and V respectively of this Circular.

## 8. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Group are disclosed in note 2 of the audited consolidated financial statements for FY2018 as well as notes 4 & 5 of the 3M2019 Results Announcement.

Save as disclosed above and in the publicly available information on the Group, there are no significant accounting policies or any matter from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

A copy of the respective annual reports of the Group and the 3M2019 Results Announcement are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com) or for inspection at the registered address of the Group at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during normal office hours for the period during which the Offer remains open for acceptance.

## **9. CHANGES IN ACCOUNTING POLICIES**

Save as disclosed in publicly available information on the Group, as at the Latest Practicable Date, there has been no known material change in the financial position of the Group since 31 December 2018, being the date of the Group's last published audited consolidated financial statements. Please also refer to the 3M2019 Results Announcement for further information.

A copy of the respective annual reports of the Group and the 3M2019 Results Announcement are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com) or for inspection at the registered address of the Group at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during normal office hours for the period during which the Offer remains open for acceptance.

## **10. GENERAL**

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) SAC Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the IFA Letter set out in Appendix I to this Circular; and (iii) all references thereto, in the form and context in which they appear in this Circular.

## **11. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2016, FY2017 and FY2018;
- (c) 3M2019 Results Announcement; and
- (d) the IFA Letter set out in Appendix I to this Circular.

**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS**

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends have been reproduced below:

**1. The Rights of Shareholders in respect of Capital**

5. *Subject to the Act and these Articles relating to new shares and to any special rights attached to any share for the time being issued, all shares shall be under the absolute control of the Members in General Meeting but subject thereto, the Directors may allot and issue shares, grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such times and subject or not to the payment of any part of the amount thereof in cash as the Directors may determine. Provided that:*
  - (a) *(subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 60 with such adaptations as are necessary shall apply; and*
  - (b) *any other issue of shares, the aggregate of which would exceed the limits referred to in Article 61 shall be subject to the approval of the Company in General Meeting.*
6. *Subject to the provisions of these Articles and of the Act relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all new shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
7. *Any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Act (and these Articles) the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine. Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed.*
8. *In the event of the Company at any time issuing preference capital, the Company shall have power to issue further preference capital ranking equally with or in priority to the preference shares already issued and the rights conferred upon the holders of preference shares shall not unless otherwise expressly provided by the conditions of issue of such shares be deemed to be altered by the creation or issue of such further preference capital ranking equally with or in priority thereto.*
9. *Whenever the share capital is divided into different classes of shares, subject to the provisions of the Act, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be modified, affected, altered or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, modified,*

*affected, altered or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy not less than one-third of the issued shares of the class and that every such holder shall on a poll have one vote for every share of the class held by him.*

*Provided that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*

- 10. Preference shareholders shall have the same rights as ordinary shareholders as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or where the dividend on the preference shares is more than six months in arrears.*
- 11. If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the persons who for the time being, and from time to time, shall be Members in respect of the shares, or their legal personal representatives.*
- 12. The Company may pay commissions or brokerage to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company or options therefor. Any such commissions or brokerage may be paid in whole or in part in cash or fully or partly paid shares of the Company or options therefor as may be arranged, and the Company may, in addition to, or in lieu of, such commission or brokerage, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price and on such other terms and conditions as the Directors may deem fit. The payment or agreement to pay a commission or brokerage or the conferring of an option shall be in the discretion of the Directors on behalf of the Company.*
- 13. (1) The Company shall not be bound to register more than three persons as the registered joint holders of any share except in the case of executors or administrators (or trustees) of the estate of a deceased Member.*  
*(2) If two or more persons are entered in the Register or (as the case may be) the Depository Register as joint holders of a share, any one of such persons may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of such share and such joint holders shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such share.*  
*(3) Joint holders whose names are entered in the Register or (as the case may be) the Depository Register shall be deemed to be one Member. The delivery of a certificate for a share to one of several registered joint holders shall be sufficient delivery to all such holders.*

14. *Save as herein otherwise provided the Company shall be entitled to treat the registered holder (other than the Depository or its nominee (as the case may be)) of any share as the absolute owner thereof and a Depositor as the absolute owner of the number of shares which are entered against his name in the Depository Register and accordingly shall not be bound (except as ordered by a court of competent jurisdiction or as by law required) to recognise even when having notice of any equitable or other claim to or interest in any such share on the part of any person.*
15. *No person shall exercise any rights or privileges as a Member until his name shall have been entered in the Register or the Depository Register and he shall have paid all calls and other moneys for the time being due and payable on any share in respect of which he is a Member alone or jointly with any other person.*
16. *The Company shall not give any financial assistance for the purpose of or in connection with the acquisition or proposed acquisition of any shares in the Company or its holding company (if any) unless the same is permitted by law.*
17. (1) *The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*
- (2) *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.*
- (3) *Notwithstanding Article 17(1), subject to and in accordance with the provisions of the Act, the listing rules of the Exchange, and other written law, the Company may purchase or otherwise acquire shares, options, stocks, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and to the extent permitted and in the manner prescribed by law.*
59. *Subject to the Act and to these Articles and any special rights for the time being attached to any existing class of shares, all new shares shall be issued upon such terms and conditions (including such consideration) and with such rights and privileges annexed thereto as the General Meeting resolving upon the same shall direct and, in particular (but without prejudice to the generality of the foregoing) such new shares may be issued with a preferential, qualified or postponed right to dividends, and in the distribution of assets of the Company, and with a special or without any right of voting, or otherwise.*
60. *Unless otherwise determined and subject to such other terms and conditions as may be determined by the Company in General Meeting, or unless permitted under the listing rules of the Exchange as may be in force from time to time, all new shares shall, before issue, be offered to such Members as at the date of the offer are entitled to receive notices from the Company of General Meetings, in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not*



accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may (subject to these Articles) dispose of those shares in such manner as they think most beneficial to the Company Provided Always that the Directors shall have the absolute discretion to determine whether or not such offer shall be made to any Member in any country or jurisdiction outside the Republic of Singapore. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to the shares of the persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in the manner hereinbefore provided or which are not offered to Members outside the Republic of Singapore.

61. Notwithstanding Article 60, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-

- (a) (i) issue shares in the capital of 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) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:-

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;
  - (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and
  - (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
62. (1) Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be subject to the provisions of the Act and of these Articles with reference to allotment, payment of calls, transfer, transmission, forfeiture, lien and otherwise.
- (2) Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by any stock exchange upon which shares in the Company may be listed) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

63. *The Company may by Ordinary Resolution:-*

- (a) consolidate and divide all or any of its shares;*
- (b) subdivide its shares or any of them (subject, nevertheless to the provisions of the Act), and so that the resolution whereby any share is so subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of such shares may, as compared with the others, may have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and*
- (c) subject to the provisions of the Act, convert any class of shares into any other class of shares.*

64. *The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.*

152. (1) *Subject to the approval of the Company in General Meeting (whether such approval is pursuant to an Ordinary Resolution authorising the Directors to exercise the power of the Company to issue shares generally pursuant to Article 61 or otherwise), the Directors may:-*

- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register or (as the case may be) in the Depository Register at the close of business on:-*

- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*

- (ii) (in the case of an Ordinary Resolution passed pursuant to Article 61) such other date as may be determined by the Directors,*

*in proportion to their then holdings of shares; and/or*

- (b) capitalise any sum for the time being standing to the credit of any of the Company's reserve funds (whether of a capital or income nature) or other undistributable reserve or the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-*

- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*

- (ii) (in the case of an Ordinary Resolution passed pursuant to Article 61) such other date as may be determined by the Directors,*

*in proportion to their then holdings of shares and applying such sum on their behalf in paying up any amounts for the time being unpaid on any shares held by them respectively or paying up in full new shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst them in the proportion aforesaid or partly in the one way and partly in the other.*

- (2) The Directors may do all acts and things required to give effect to any such bonus issue and/or capitalisation under Article 152(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may also authorise any person to enter on behalf*

*of the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

- (3) *In addition and without prejudice to the powers provided for by Article 151(1) and (2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.*

153. *The Directors may, before declaring any dividend or bonus in respect of any class of shares out of or in respect of the earnings or profits of the Company for any yearly or other period, cause to be reserved or retained and set aside out of such sum as they may determine to form a Reserve Fund to meet contingencies or depreciation in the value of the property of the Company, or for equalising dividends or for special dividends or for distribution of bonuses or for repairing, improving and maintaining any of the property of the Company, or for such other purposes as the Directors shall, in their absolute discretion, think conducive to the interests of the Company.*

## **2. The Rights of Shareholders in respect of Voting**

89. *Subject to any rights or restrictions for the time being attached to any class or classes of shares and to these Articles, at a meeting of Members or classes of Members, each Member entitled to be present and to vote may vote in person or by proxy. On a poll, every Member who is present in person or by proxy shall have one vote for each share he holds or represents and upon which all calls or other sums due thereon to the Company have been paid Provided Always That:-*

*for the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares appearing against his name in the Depository Register as at forty-eight hours prior to the commencement of the relevant General Meeting as certified by the Depository to the Company.*

90. *In the case of joint holders of a share, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.*
91. *Save as herein expressly provided, no person other than a Member who is duly registered in the Register or (being a Depositor) is certified by the Depository as named in the Depository Register forty-eight hours before the General Meeting and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy at any General Meeting.*
92. *A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, on a poll by the committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting.*

93. *Votes on a poll may be given either personally or by proxy, attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
94. *Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meetings of the Company; and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual Member of the Company and such corporation shall for the purposes of these Articles (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat.*
95. (1) *The instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve, and:-*
- (a) *in the case of an individual, shall be:*
- (i) *executed under the hand of the appointor or his attorney if the instrument is delivered personally or sent by post; or*
- (ii) *authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and*
- (b) *in the case of a corporation, shall be:*
- (i) *executed under seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or, in the case of the Depository or its nominee, signed by its duly authorised officer by some method or system of mechanical signature as the Depository or its nominee may deem appropriate, if the instrument is delivered personally or sent by post; or*
- (ii) *authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication. The Directors may designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.*
- (2) *The signature on, or authorization of an instrument of proxy shall not, unless the Directors in their absolute discretion determine otherwise, be required to be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.*
96. *The instrument appointing a proxy must be deposited at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, sent personally or by post at the Office), or if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting, and in either case, not less than forty-eight hours before the time for holding the meeting, or adjourned meeting, and in default the instrument of proxy shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating*

*to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this Article 96 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*

97. (1) *A Member may appoint not more than two proxies to attend and vote at the same General Meeting, Provided that if the Member is a Depositor, the Company shall be entitled and bound:-*
- (a) *to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company; and*
  - (b) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.*
- (2) *The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.*
- (3) *In any case where an instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.*
- (4) *A proxy need not be a Member of the Company.*
98. *A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided That no notice in writing of the death or revocation or transfer shall have been received at the Office at least forty-eight hours before the time fixed for holding the meeting or adjourned meeting at which the vote is cast.*
99. *The instrument appointing a proxy shall be deemed to move any resolution or amendment thereto and to speak at the meeting.*
100. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.*

### **3. The Rights of Shareholders in respect of Dividends**

138. *Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:-*
- (a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*



- (b) *all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.*
139. *The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.*
140. *No dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Act. No dividend or other moneys payable on or in respect of a share shall carry interest as against the Company.*
141. (1) *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*
- (2) *The declaration of the Directors as to the net profits of the Company shall be conclusive.*
142. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
143. *The Directors may retain any dividends or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.*
144. *A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer in the Register or the entry of the transfer in the Depository Register, as the case may be.*
145. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debentures stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors.*
- 145A. (1) *Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:-*



- (a) *the basis of any such allotment shall be determined by the Directors;*
  - (b) *the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article 145A;*
  - (c) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and*
  - (d) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "Elected Ordinary Shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Articles to the contrary), the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.*
- (2)
- (a) *The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Article 145A shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
  - (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article 145A, with full power to make such provisions as they think fit in the case of fractional entitlements to ordinary shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members).*

- (3) *The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 145A, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or the Depository Register, as the case may be, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Article 145A shall be read and construed to such determination.*
  - (4) *The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 145A, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or the Depository Register, as the case may be, is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
  - (5) *Notwithstanding the foregoing provisions of this Article 145A, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this Article 145A in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (1) of this Article 145A.*
146. *The Company may retain the dividends payable upon shares or any part thereof in respect of which any person is, under the provisions of these Articles as to the transmission of shares, entitled to become entered in the Register or the Depository Register, as the case may be, as a Member, or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.*
147. *If two or more persons are registered in the Register or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of such persons may give effectual receipts for dividends or other moneys payable or property distributable on or in respect of such share.*
148. *Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.*
149. (1) *Unless otherwise directed, any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque, warrant or Post Office Order, sent through the post to the address as appearing in the Register or the Depository Register, as the case may be, of a Member or person entitled thereto (or, if two or more persons are registered in the Register or entered in the Depository Register, as the case may be, as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such Member or person or persons may by writing direct. Every such cheque, warrant or Post Office Order so sent shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque, warrant or Post Office Order shall be sent at the risk of the person entitled to the money represented thereby.*

- (2) *Notwithstanding the provisions of Articles 141(1) and 149(1), the payment by the Company to the Depository of any dividend payable or distribution due to a Depositor shall, to the extent of the payment or distribution made to the Depository, discharge the Company from any liability in respect of that payment or distribution.*
150. *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable, may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys were first payable.*
151. *So long as shares in the capital of the Company are listed for quotation on the Exchange, the Directors shall have power generally to take such steps (not inconsistent with these Articles) as they may deem necessary, advisable or appropriate to achieve or facilitate the trading of the Company's shares, debentures or other securities through the Central Depository System established under the Act.*

# **UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019**

## **BOARDROOM LIMITED**

(Registration No. 200003902Z)

### **FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019**

#### **PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	GROUP		
	S\$'000		%
	1st Qtr 1 Jan 2019 to 31 Mar 2019	1st Qtr 1 Jan 2018 to 31 Mar 2018	Increase / (Decrease)
Corporate Secretarial Fees	7,060	5,761	22.5%
Share Registry Fees	9,903	9,139	8.4%
Accounting & Payroll Fees	5,375	4,150	29.5%
<b>Total Revenue</b>	<b>22,338</b>	<b>19,050</b>	<b>17.3%</b>
Other Income	422	371	13.7%
Employee Benefits Expense	(13,862)	(10,697)	29.6%
Operating Expenses	(5,509)	(5,331)	3.3%
Finance Cost	(690)	(60)	1,050.0%
Depreciation & Amortisation	(1,822)	(821)	121.9%
Impairment of Goodwill	-	-	NM
Loss on Foreign Exchange	(88)	(56)	57.1%
Share of associate's profit/(loss), net of tax	46	(2)	NM
<b>Profit Before Tax</b>	<b>835</b>	<b>2,454</b>	<b>-66.0%</b>
Less: Income Tax Expense	(417)	(522)	-20.1%
<b>Profit After Tax</b>	<b>418</b>	<b>1,932</b>	<b>-78.4%</b>
<b>Other Comprehensive Income:</b>			
<b>Items that may be classified subsequently to profit or loss</b>			
Foreign Currency Translation Loss	(124)	(1,797)	-93.1%
Cashflow hedge	46	-	NM
<b>Other Comprehensive Loss for the Period</b>	<b>(78)</b>	<b>(1,797)</b>	<b>-95.7%</b>
<b>Total Comprehensive Income for the Period</b>	<b>340</b>	<b>135</b>	<b>151.9%</b>
<b>PROFIT AFTER TAX ATTRIBUTABLE TO:</b>			
Owners of the Parent	418	1,932	-78.4%
Non-Controlling Interests	-	-	NM
<b>Profit After Tax</b>	<b>418</b>	<b>1,932</b>	<b>-78.4%</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the Parent	340	135	151.9%
Non-Controlling Interests	-	-	NM
<b>Total Comprehensive Income for the Period</b>	<b>340</b>	<b>135</b>	<b>151.9%</b>

NM : Not Meaningful

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**STATEMENT OF FINANCIAL POSITION**

	Note	GROUP		COMPANY	
		S\$'000		S\$'000	
		31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment		2,599	2,693	452	507
Computer software		7,941	7,577	77	106
Investments in subsidiaries		-	-	65,177	64,677
Intangible assets	1	110,736	111,332	-	-
Investment in associate	2	3,193	3,159	-	-
Deferred tax assets		806	805	9	9
Right of use		12,784	-	5,885	-
Finance lease receivables		810	-	810	-
		<b>138,869</b>	<b>125,566</b>	<b>72,410</b>	<b>65,299</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables		23,031	23,832	974	887
Unbilled receivables		7,570	1,835	-	-
Amounts due from subsidiaries (non-trade)		-	-	69,885	70,417
Short-term investments		949	935	-	-
Tax recoverable		378	364	-	-
Finance lease receivables		438	-	438	-
Cash and cash equivalents		22,614	24,622	2,671	4,202
		<b>54,980</b>	<b>51,588</b>	<b>73,968</b>	<b>75,506</b>
Less:					
<b>CURRENT LIABILITIES</b>					
Trade and other payables		16,686	20,030	2,042	2,049
Bank borrowings		10,800	10,800	10,800	10,800
Contract liabilities		11,435	4,421	-	-
Derivative liabilities		351	109	351	109
Lease liabilities		4,553	-	2,374	-
Amount due to subsidiaries (non-trade)		-	-	614	396
Income tax payable		1,663	1,241	81	81
		<b>45,488</b>	<b>36,601</b>	<b>16,262</b>	<b>13,435</b>
Net current assets		9,492	14,987	57,706	62,071
Bank borrowings		(35,550)	(37,450)	(35,550)	(37,450)
Lease liabilities		(9,545)	-	(4,760)	-
Provision for employees benefits		(239)	(234)	-	-
Deferred tax liabilities		(7,381)	(7,563)	-	-
<b>NET ASSETS</b>		<b>95,646</b>	<b>95,306</b>	<b>89,806</b>	<b>89,920</b>
<b>FINANCED BY:</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital		50,034	50,034	50,034	50,034
Reserves		45,612	45,272	39,772	39,886
<b>TOTAL EQUITY</b>		<b>95,646</b>	<b>95,306</b>	<b>89,806</b>	<b>89,920</b>

**Notes:**

- Intangible Assets represent primarily goodwill arising from acquisitions in Hong Kong, Malaysia and Australia subsidiaries. Any excess of the consideration over the fair value of the net assets as at the date of the acquisition represents goodwill.
- Investment in associate represent investment made in Australia to acquire Definitiv Group.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 31 Mar 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	10,800	NIL	10,800

**Amount repayable after one year**

As at 31 Mar 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	35,550	NIL	37,450

**Details of any collateral**

NIL



- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>GROUP</b>	
	<b>S\$'000</b>	
	<b>1st Qtr 1 Jan 2019 to 31 Mar 2019</b>	<b>1st Qtr 1 Jan 2018 to 31 Mar 2018</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	835	2,454
Adjustments for:		
Depreciation & amortisation	1,822	821
Allowance/(reversal) for impairment of trade receivables	114	(211)
Exchange differences	(92)	122
Loss on disposal of property, plant and equipment	1	-
Interest income	(352)	(184)
Interest expense	690	60
Share of associates' (profits)/loss	(46)	2
<b>Operating profit before working capital changes</b>	<b>2,972</b>	<b>3,064</b>
Decrease in operating receivables and prepayments	649	272
Decrease in operating payable	(3,237)	(1,723)
Increase in unbilled receivables	(5,732)	-
Increase in contract liabilities	7,041	613
<b>Cash generated from operations</b>	<b>1,693</b>	<b>2,226</b>
Interest expense paid	(619)	(60)
Income tax paid	(66)	(138)
<b>Net cash generated from operating activities</b>	<b>1,008</b>	<b>2,028</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(292)	(169)
Acquisition of computer software	(532)	(395)
Acquisition of a subsidiary	-	(2,430)
Acquisition of an associate	-	(1,210)
Proceeds from sale of property, plant and equipment	2	-
Interest received	352	184
<b>Net cash used in investing activities</b>	<b>(470)</b>	<b>(4,020)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	(1,900)	-
Repaid finance liabilities and paid interest relating to finance liabilities	(651)	-
<b>Net cash used in financing activities</b>	<b>(2,551)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,013)</b>	<b>(1,992)</b>
Cash and cash equivalents at beginning of the period	24,622	20,899
Exchange loss arising from translation of foreign currencies cash and cash equivalents	5	(137)
<b>CASH AND CASH EQUIVALENTS AT PERIOD END</b>	<b>22,614</b>	<b>18,770</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Attributable to Owners of the Parent					
	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interest	Hedging reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	50,034	3,116	(12,569)	(247)	54,972	95,306
Total comprehensive income for the period	-	(124)	-	46	418	340
Balance as at 31 March 2019	50,034	2,992	(12,569)	(201)	55,390	95,646
Balance as at 1 January 2018	37,554	(1,842)	(12,569)	-	58,940	82,083
Total comprehensive income for the period	-	(1,797)	-	-	1,932	135
Balance as at 31 March 2018	37,554	(3,639)	(12,569)	-	60,872	82,218

COMPANY	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interest	Hedging reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	50,034	-	-	(247)	40,133	89,920
Total comprehensive income for the period	-	-	-	46	(160)	(114)
Balance as at 31 March 2019	50,034	-	-	(201)	39,973	89,806
Balance as at 1 January 2018	37,554	-	-	-	49,533	87,087
Total comprehensive income for the period	-	-	-	-	114	114
Balance as at 31 March 2018	37,554	-	-	-	49,647	87,201

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company's share capital of \$50,033,746 as at 31 March 2019 remained the same as of 31 December 2018.

The Company no longer has any share option scheme. There were no shares held as treasury shares as at 31 March 2019 and 31 March 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares was 209,660,184 as at 31 March 2019 and 31 December 2018.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There are no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

There is no auditors' report as these figures have not been audited nor reviewed by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2018, except as disclosed in paragraph 5.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised standards and SFRS (I) Interpretations that are effective for annual period beginning on 1 January 2019. The adoption of these new and revised standards and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period except for the following:

Adoption of SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. 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.

In compliance with SFRS(I) 16, the Group has applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities as at 1 January 2019. Accordingly, the Group recorded a right-of-use lease asset and a corresponding lease liability of \$14.6 million on the adoption of SFRS(I) 16.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	31 Mar 2019	31 Mar 2018
Earnings per ordinary share for the period attributable to owners of the parent after deducting any provision for preference dividends :-		
(a) Based on weighted average number of ordinary shares on issue; and	0.20 cents	1.00 cents
(b) On a fully diluted basis	0.20 cents	1.00 cents

**Notes:**

- The earnings per share is calculated on the profit after tax attributable to owners of the parent on the weighted average number of shares in issue of 209,660,184 (31 March 2018 – 193,660,184).
- The diluted earnings per share is calculated on the profit after tax attributable to owners of the parent on the number of shares in issue adjusted for the effect of dilutive potential ordinary shares. The total number of shares amounted to 209,660,184 (31 March 2018 – 193,660,184).

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	GROUP		COMPANY	
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	45.62 cents	45.46 cents	42.83 cents	42.89 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

## **REVIEW OF PERFORMANCE OF THE GROUP**

### **3 months to 31 March 2019**

From 1 Feb 2019, the acquired Symphony companies in Malaysia were merged into the Malaysian Boardroom entities.

The Group's revenues for the three months ended 31 March 2019 ("1Q19") totaled \$22.3 million compared to previous corresponding quarter ended 31 March 2018 ("1Q18") of \$19 million. The \$3.3 million or equivalent to 17.3% increase was due to higher revenue of approximately \$3.9 million in constant currency terms, offset by a \$593,000 negative foreign exchange impact.

Other income increased to \$422,000 (1Q18: \$371,000) mainly due to higher interest income.

Total expenses (including financing costs and Depreciation & Amortisation) increased by \$5.0 million or 29.5%. In constant currency terms, our total expenses increased \$5.5 million or 32.7%, offset by \$534,000 or 3.1% favorable foreign currency exchange impact. Approximately \$3.6 million or 72.0% of the increase in total expenses was attributed to the enlarged Malaysian business including loan interest and client amortisation costs. The balance \$1.4 million variance is mainly due to higher staff costs and recruitment expense from Singapore and Australia.

Financing cost increase of \$630k is mainly driven by the new loan taken for the Malaysia acquisition.

Increase in Depreciation & Amortisation of \$1.0m is driven mainly by the adoption of SFRS(I) 16, whereby rental expenses amounting to \$650k have largely been reclassified as lease amortisation, with no real impact to profit before tax.

The Group's profit before tax for 1Q19 decreased by 66.0% to \$835,000 (1Q18: \$2.5 million) mainly due to increase in staff related costs (\$1.6 million) which was attributed to increased headcount as well as higher salaries to attract staff in the highly competitive labour markets we operate in. Income tax expenses for 1Q19 decreased by 20.1% to \$417,000 (1Q18: \$522,000) in tandem with the decrease in profit before tax.

The Group's net profit after tax of \$418,000 was 78.4% or \$1.5 million lower compared to 1Q18's \$1.9 million.

Other comprehensive loss of \$78,000 for 1Q19 (1Q18: \$1.8 million loss) arose mainly from the translation of financial statements of foreign subsidiaries.

### **Statement of Financial Position**

#### **Non-current assets**

The Group reported a higher non-current assets position of \$138.9 million as at 31 March 2019, compared to \$125.6 million as at 31 December 2018 mainly due to recognition of right-of-use lease assets upon adoption of SFRS(I) 16.

#### **Net Current Assets Position of the Group**

The Group reported a lower net current assets position of \$9.5 million as at 31 March 2019, compared to \$15.0 million as at 31 December 2018 mainly due to lower cash and bank balances and recognition of lease liabilities upon adoption of SFRS(I) 16.

#### **Term Loan**

Term loan balance reduced to \$46.4 million as at 31 March 2019 compared to \$48.3 million as at 31 December 2018, due to scheduled loan repayment.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

General business trends indicate a greater degree of cautiousness since the beginning of 2019. Although there continues to be growth, this is at a slower pace. However, we are expanding our capabilities and taking advantage of this slow down to reach out to a broader market.

The IPO market has seen a significant slowdown given the global trade issues and market conditions remain sensitive to further developments. In spite of this, we continue to invest in technology and diversify our service offerings. Competition has always remained keen.

Financing and Depreciation & Amortisation costs have increased in line with our expansion and subsequent integration of all our businesses. We are mindful of the cost challenges faced by the business and will continue to drive productivity and regionalisation of our business activities.

The acquisition in Malaysia last year is going according to plan. Overall, we expect the Group's performance to remain satisfactory.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/recommended for the current financial period and the corresponding period of the immediately preceding financial year.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have an interested person transaction mandate.

**14. Negative Confirmation By The Board Pursuant To Rule 705(5).**

We, Goh Geok Khim and Kim Teo Poh Jin being two directors of Boardroom Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.



**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

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

On behalf of the Board of Directors

Goh Geok Khim  
Chairman

Kim Teo Poh Jin  
Chief Executive Officer

**BY ORDER OF THE BOARD**

**Kim Teo Poh Jin**  
**Chief Executive Office**  
**7<sup>th</sup> May 2019**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2018**

**Balance sheets**  
**As at 31 December 2018**

	Note	31.12.2018 \$'000	Company 31.12.2017 \$'000	1.1.2017 \$'000	31.12.2018 \$'000	Group 31.12.2017 \$'000 (Restated)	1.1.2017 \$'000 (Restated)
<b>Assets</b>							
<b>Non-current assets</b>							
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
<b>Current assets</b>							
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
<b>Total assets</b>		140,869	97,272	95,898	177,154	115,640	111,617
<b>Equity and liabilities</b>							
<b>Current liabilities</b>							
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
<b>Net current assets</b>		24,735	6,860	7,166	14,987	21,955	19,741

**Balance sheets (cont'd)**  
**As at 31 December 2018**

	Note	31.12.2018 \$'000	Company 31.12.2017 \$'000	1.1.2017 \$'000	31.12.2018 \$'000	Group 31.12.2017 \$'000 (Restated)	1.1.2017 \$'000 (Restated)
<b>Non-current liabilities</b>							
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
<b>Total liabilities</b>		50,949	10,185	11,830	81,848	33,557	34,392
<b>Net assets</b>							
		89,920	87,087	84,068	95,306	82,083	77,225
<b>Equity attributable to owners of the Company</b>							
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
<b>Total equity</b>		89,920	87,087	84,068	95,306	82,083	77,225
<b>Total equity and liabilities</b>		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**

	<b>Note</b>	<b>2018</b> \$'000	<b>2017</b> \$'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
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
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)	–
<b>Other comprehensive income for the financial year</b>		<b>(1,365)</b>	<b>(1,842)</b>
<b>Profit for the financial year attributable to owners of the Company</b>		<b>6,950</b>	<b>10,573</b>
<b>Total comprehensive income for the financial year attributable to owners of the Company</b>		<b>5,585</b>	<b>8,731</b>
<b>Earnings per share (cents per share)</b>			
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.*

**Statements of changes in equity**  
**For the financial year ended 31 December 2018**

Group	Attributable to owners of the Company					
	Share capital	Exchange translation reserve	Hedging Reserve	Premium paid on acquisition of non-controlling interests	Retained earnings	Total
	(Note 17) \$'000	(Note 18) \$'000	(Note 18) \$'000	(Note 18) \$'000	\$'000	\$'000
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
<u>Contributions by and distributions to owners</u>						
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



**Statements of changes in equity (cont'd)**  
**For the financial year ended 31 December 2018**

Group	Attributable to owners of the Company				
	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interests	Retained earnings	Total
	(Note 17) \$'000	(Note 18) \$'000	(Note 18) \$'000	\$'000	\$'000
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
<u>Contributions by and distributions to owners</u>					
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

**Statements of changes in equity (cont'd)**  
**For the financial year ended 31 December 2018**

Company	Attributable to owners of the Company			
	Share capital	Hedging Reserve	Retained earnings	Total
	(Note 17) \$'000	(Note 18) \$'000	\$'000	\$'000
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
<u>Contributions by and distributions to owners</u>				
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
<u>Contributions by and distributions to owners</u>				
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**

	<b>Note</b>	<b>2018</b> \$'000	<b>2017</b> \$'000 (Restated)
<b>Operating activities</b>			
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)	–
<b>Operating profit before working capital changes</b>		<b>16,263</b>	<b>15,851</b>
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)
<b>Cash generated from operations</b>		<b>17,483</b>	<b>13,591</b>
Interest paid		(817)	(227)
Tax expense paid		(2,032)	(1,924)
<b>Net cash generated from operating activities</b>		<b>14,634</b>	<b>11,440</b>
<b>Investing activities</b>			
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
<b>Net cash used in investing activities</b>		<b>(45,535)</b>	<b>(5,149)</b>
<b>Financing activities</b>			
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	–
<b>Net cash generated from/(used in) financing activities</b>		<b>34,908</b>	<b>(5,373)</b>
<b>Net increase in cash and cash equivalents</b>			
		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
<b>Cash and cash equivalents at 31 December</b>	12	<b>24,622</b>	<b>20,899</b>

*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 (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

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.

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**2. Summary of significant accounting policies (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

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))

	1.1.2017 (FRS)	SFRS(I) 1	Group SFRS(I) 15	1.1.2017 (SFRS(I))
	\$'000	Adjustments \$'000	Adjustments \$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	1,972	—	—	1,972
Intangible assets	68,939	—	—	68,939
Deferred tax assets	260	—	—	260
	71,171	—	—	71,171
<b>Current assets</b>				
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
<b>Total assets</b>	108,726	—	2,891	111,617
<b>Current liabilities</b>				
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
<b>Non-current liabilities</b>				
Bank borrowings	8,500	—	—	8,500
Provision for employees benefits	351	—	—	351
Deferred tax liabilities	4,836	—	—	4,836
	13,687	—	—	13,687
<b>Total liabilities</b>	31,501	—	2,891	34,392
<b>Total equity</b>				
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
<b>Total equity and liabilities</b>	108,726	—	2,891	111,617



**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**2. Summary of significant accounting policies (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

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

	<b>Group</b>					
	<b>31.12.2017</b>	<b>SFRS(I) 1</b>	<b>SFRS(I) 15</b>	<b>31.12.2017</b>	<b>SFRS(I) 9</b>	<b>1.1.2018</b>
	<b>(FRS)</b>	<b>Adjust-</b>	<b>Adjust-</b>	<b>(SFRS(I))</b>	<b>Adjust-</b>	<b>(SFRS(I))</b>
	<b>\$'000</b>	<b>ments</b>	<b>ments</b>	<b>\$'000</b>	<b>ments</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	
<b>Non-current assets</b>						
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
<b>Current assets</b>						
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
<b>Total assets</b>	114,051	—	1,589	115,640	—	115,640
<b>Current liabilities</b>						
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
<b>Non-current liabilities</b>						
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
<b>Total liabilities</b>	31,968	—	1,589	33,557	—	33,557
<b>Total equity</b>						
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
<b>Total equity and liabilities</b>	114,051	—	1,589	115,640	—	115,640

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**2. Summary of significant accounting policies (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

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

	<b>31.12.2017 (FRS) \$'000</b>	<b>Company SFRS(I) 9 Adjustments \$'000</b>	<b>1.1.2018 (SFRS(I)) \$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	489	–	489
Intangible assets	236	–	236
Investment in subsidiaries	86,493	(34,730)	51,763
Deferred tax assets	9	–	9
	<b>87,227</b>	<b>(34,730)</b>	<b>52,497</b>
<b>Current assets</b>			
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
	<b>10,045</b>	<b>28,654</b>	<b>38,699</b>
<b>Total assets</b>	<b>97,272</b>	<b>(6,076)</b>	<b>91,196</b>
<b>Current liabilities</b>			
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
	<b>3,185</b>	<b>–</b>	<b>3,185</b>
<b>Non-current liabilities</b>			
Bank borrowings	7,000	–	7,000
<b>Total liabilities</b>	<b>10,185</b>	<b>–</b>	<b>10,185</b>
<b>Total equity</b>			
Share capital	37,554	–	37,554
Retained earnings	49,533	(6,076)	43,457
	<b>87,087</b>	<b>(6,076)</b>	<b>81,011</b>
<b>Total equity and liabilities</b>	<b>97,272</b>	<b>(6,076)</b>	<b>91,196</b>

**2. Summary of significant accounting policies (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

(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)

	<b>2017 (FRS) \$'000</b>	<b>SFRS(I) 15 Adjustments \$'000</b>	<b>2017 (SFRS(I)) \$'000</b>
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.

**2. Summary of significant accounting policies (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

**SFRS(I) 15 Revenue from contracts with customers (cont'd)**

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.

**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.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

**SFRS(I) 9 Financial instruments (cont'd)**

Classification and measurement (cont'd)

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.

2.3 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

**2. Summary of significant accounting policies (cont'd)**

**2.3 Standards issued but not yet effective (cont'd)**

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 (cont'd)**

**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.

**2. Summary of significant accounting policies (cont'd)**

**2.4 Basis of consolidation and business combinations (cont'd)**

**(b) Business combinations and goodwill (cont'd)**

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.

**2.5 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. Summary of significant accounting policies (cont'd)**

**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.

**2.7 *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.

**2. Summary of significant accounting policies (cont'd)**

**2.7 Intangible assets (cont'd)**

(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.

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. Summary of significant accounting policies (cont'd)**

**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 (cont'd)**

**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.



**2. Summary of significant accounting policies (cont'd)**

**2.11 Financial instruments (cont'd)**

**(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.

**(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:

**2. Summary of significant accounting policies (cont'd)**

**2.11 Financial instruments (cont'd)**

**(c) Derivative financial instruments (cont'd)**

Hedge accounting (cont'd)

- (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 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.

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.

**2. Summary of significant accounting policies (cont'd)**

**2.11 Financial instruments (cont'd)**

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 (cont'd)**

**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. Summary of significant accounting policies (cont'd)**

**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.

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.

**2. Summary of significant accounting policies (cont'd)**

**2.18 Revenue recognition (cont'd)**

**(a) Rendering of services (cont'd)**

*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 (cont'd)**

**2.19 Taxes (cont'd)**

**(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.



**2. Summary of significant accounting policies (cont'd)**

**2.19 Taxes (cont'd)**

**(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.

**2.20 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. Summary of significant accounting policies (cont'd)**

**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).

*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)

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**2. Summary of significant accounting policies (cont'd)**

**2.22 Significant accounting estimates and judgements (cont'd)**

**(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**

	<b>Computers</b> \$'000	<b>Office machinery</b> \$'000	<b>Furniture, fittings &amp; leasehold improvements</b> \$'000	<b>Total</b> \$'000
<b>Company</b>				
<b>Cost</b>				
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
<b>Accumulated depreciation</b>				
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
<b>Net carrying amount</b>				
At 31 December 2018	313	48	146	507
At 31 December 2017	434	14	41	489
At 1 January 2017	412	10	73	495

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**3. Property, plant and equipment (cont'd)**

<b>Group</b>	<b>Computers \$'000</b>	<b>Office machinery \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Furniture, fittings &amp; leasehold improvements \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>					
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
<b>Accumulated depreciation</b>					
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
<b>Net carrying amount</b>					
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**

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

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**4. Intangible assets (cont'd)**

<b>Group</b>	<b>Goodwill on consolidation \$'000</b>	<b>Customer relationships \$'000</b>	<b>Computer software \$'000</b>	<b>Brand name \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>					
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 2017 and 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
<b>Accumulated amortisation and impairment</b>					
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
<b>Net carrying amount</b>					
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 (cont'd)

*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	31.12.2018 \$'000	Group 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:

	31.12.2018 \$'000	Group 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:

	31.12.2018	Group 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 (cont'd)**

**4.1 Goodwill arising from Malaysia (cont'd)**

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**

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

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).

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**5. Investments in subsidiaries (cont'd)**

Details of subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u>	<u>31.12.2018</u>	<u>31.12.2017</u>	<u>1.1.2017</u>	<u>Percentage of equity held</u>	<u>31.12.2017</u>	<u>1.1.2017</u>	<u>Principal activities</u>
		\$'000	\$'000	\$'000	\$'000	%	%	%	
* Boardroom Corporate & Advisory Services Pte. Ltd.	Singapore	4,258	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	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

Notes to the financial statements  
For the financial year ended 31 December 2018

5. Investments in subsidiaries (cont'd)

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u>	<u>31.12.2018</u>	<u>31.12.2017</u>	<u>1.1.2017</u>	<u>31.12.2018</u>	<u>Percentage of equity held</u>	<u>1.1.2017</u>	<u>Principal activities</u>
		\$'000	\$'000	\$'000	\$'000	%	%	%	
# Boardroom Corporate Services (HK) Limited	Hong Kong	19,750	19,750	19,750	19,750	100	100	100	Corporate secretarial, accounting, taxation & payroll services
# Boardroom Corporate Secretaries (HK) Limited <sup>(1)</sup>	Hong Kong	–	–	–	–	100	100	100	Corporate secretarial services
+ BL Services Limited <sup>(1)</sup>	British Virgin Islands/ Hong Kong	–	–	–	–	100	100	100	Dormant
# Boardroom Share Registrars (HK) Limited <sup>(1)</sup>	Hong Kong	–	–	–	–	100	100	100	Share registry services
# Boardroom Trustee Limited <sup>(1)</sup>	Hong Kong	–	–	–	–	100	100	100	Dormant

Notes to the financial statements  
For the financial year ended 31 December 2018

5. Investments in subsidiaries (cont'd)

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u> 31.12.2017 \$'000	<u>1.1.2017</u> \$'000	<u>31.12.2018</u> %	<u>Percentage of equity held</u> 31.12.2017 %	<u>1.1.2017</u> %	<u>Principal activities</u>
# Boardroom (Malaysia) Sdn. Bhd.	Malaysia	17,493	4,879	100	100	100	Investment holding
# Boardroom Corporate Services (KL) Sdn. Bhd. <sup>(2)</sup>	Malaysia	—	—	100	100	100	Corporate secretarial, investor relations, other allied services and investment holding
# Boardroom Corporate Services (Johor) Sdn. Bhd. <sup>(2)</sup>	Malaysia	—	—	100	100	100	Corporate secretarial and accounting services
# Boardroom Corporate Services (Penang) Sdn. Bhd. <sup>(2)</sup>	Malaysia	—	—	100	100	100	Corporate secretarial and accounting services
# Boardroom Communication Sdn. Bhd. <sup>(2)</sup>	Malaysia	—	—	—	—	100	Dormant

Notes to the financial statements  
For the financial year ended 31 December 2018

5. Investments in subsidiaries (cont'd)

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u>		<u>1.1.2017 \$'000</u>	<u>31.12.2017 \$'000</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		<u>31.12.2018 \$'000</u>	<u>31.12.2017 \$'000</u>			<u>31.12.2017 %</u>	<u>1.1.2017 %</u>	
# Boardroom Nominees (Tempatan) Sdn. Bhd. <sup>(3)</sup>	Malaysia	–	–	–	100	100	100	Dormant
# Boardroom Business Solution Sdn. Bhd. <sup>(2)</sup>	Malaysia	–	–	–	100	100	100	Accounting, taxation & payroll and consultancy services
# Symphony Corporatehouse Sdn Bhd. <sup>(2)</sup>	Malaysia	–	–	–	100	–	–	Corporate secretarial, accounting & payroll services
# SKY Corporate Services Sdn Bhd. <sup>(14)</sup>	Malaysia	–	–	–	100	–	–	Consultancy services

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**5. Investments in subsidiaries (cont'd)**

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u>		<u>1.1.2017 \$'000</u>	<u>31.12.2017 \$'000</u>	<u>31.12.2018 \$'000</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		<u>31.12.2017</u>	<u>31.12.2018</u>				<u>31.12.2017</u>	<u>1.1.2017</u>	
		<u>%</u>	<u>%</u>				<u>%</u>	<u>%</u>	
# Symphony Share Registrars Sdn Bhd. <sup>(2)</sup>	Malaysia	—	—	—	100	—	—	—	Share registry services
# Malaysian Issuing House Sdn Bhd. <sup>(2)</sup>	Malaysia	—	—	—	100	—	—	—	Administering the process of share issue
* Boardroom China Holdings Pte. Ltd.	Singapore	—	—	—	100	—	100	100	Investment holding
@Boardroom China Limited <sup>(4)</sup>	China	—	—	—	100	—	100	100	Business advisory and consultancy services
@ Boardroom Beijing Limited <sup>(5)</sup>	China	—	—	—	100	—	100	100	Business advisory and consultancy services

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**5. Investments in subsidiaries (cont'd)**

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u> 31.12.2018 \$'000	<u>Carrying value of investment</u> 31.12.2017 \$'000	<u>1.1.2017</u> \$'000	<u>31.12.2018</u> %	<u>Percentage of equity held</u> 31.12.2017 %	<u>1.1.2017</u> %	<u>Principal activities</u>
^ Boardroom Holdings Australia Pty Ltd	Australia	19,978	54,708	54,708	100	100	100	Investment holding
^ Newreg Pty Ltd <sup>(6)</sup>	Australia	–	–	–	100	100	100	Investment holding
^ Registries Holdings Australia Pty Limited <sup>(7)</sup>	Australia	–	–	–	100	100	100	Investment holding
^ Registries Pty Limited <sup>(8)</sup>	Australia	–	–	–	100	100	100	Investment holding
^ Boardroom Pty Limited <sup>(7)</sup>	Australia	–	–	–	100	100	100	Share registry and related services
^ Boardroom Financial Services Pty Limited <sup>(10)</sup>	Australia	–	–	–	100	100	100	Registry related services



Notes to the financial statements  
For the financial year ended 31 December 2018

5. Investments in subsidiaries (cont'd)

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u>		<u>1.1.2017 \$'000</u>	<u>31.12.2018 \$'000</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		<u>31.12.2018</u>	<u>31.12.2017</u>			<u>31.12.2018</u>	<u>1.1.2017</u>	
		<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>%</u>	<u>1.1.2017</u>	<u>%</u>	
^ Boardroom (Victoria) Pty Limited <sup>(10)</sup>	Australia	–	–	–	100	100	100	Share registry and related services
^ Boardroom Integrate Pty Limited <sup>(6)</sup>	Australia	–	–	–	100	100	100	Consultancy services
^ Boardworx Australia Pty Limited <sup>(10)</sup>	Australia	–	–	–	100	100	–	Corporate secretarial services
^ Corporate Counsel Pty Limited <sup>(10)</sup>	Australia	–	–	–	100	–	–	Corporate secretarial services
# Asialink Holdings Ltd (Seychelles) <sup>(11)</sup>	Seychelles	–	–	–	100	100	100	Nominee services
# Asialink Holdings Ltd (Cook Islands) <sup>(11)</sup>	Cook Islands	–	–	–	100	100	100	Nominee services

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**5. Investments in subsidiaries (cont'd)**

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u>		<u>1.1.2017 \$'000</u>	<u>31.12.2017 \$'000</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		<u>31.12.2018 \$'000</u>	<u>31.12.2017 \$'000</u>			<u>31.12.2017 %</u>	<u>1.1.2017 %</u>	
# Kirkliston Limited <sup>(12)</sup>	Hong Kong	–	–	–	100	100	100	Nominee services
# Green Joy Holdings Limited <sup>(11)</sup>	British Virgin Islands	–	–	–	100	100	100	Nominee services
# Asialink Trust Limited <sup>(12)</sup>	British Virgin Islands	–	–	–	100	100	100	Trust services
# ATL Limited <sup>(12)</sup>	Nevis	–	–	–	100	100	100	Nominee services

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**5. Investments in subsidiaries (cont'd)**

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Carrying value of investment</u>		<u>Percentage of equity held</u>		<u>Principal activities</u>
		<u>31.12.2018</u> \$'000	<u>31.12.2017</u> \$'000	<u>31.12.2018</u> %	<u>1.1.2017</u> %	
# Knapdale Ltd <sup>(13)</sup>	British Virgin Islands	–	–	100	100	Nominee services
# Kirkcowan Ltd <sup>(13)</sup>	British Virgin Islands	–	–	100	100	Nominee services
# Callumberg Ltd <sup>(13)</sup>	British Virgin Islands	–	–	100	100	Nominee services
# Thornpool Ltd <sup>(13)</sup>	British Virgin Islands	–	–	100	100	Nominee services
# Jackaroo Ltd <sup>(13)</sup>	British Virgin Islands	–	–	100	100	Nominee services
# Karalon Ltd <sup>(13)</sup>	Hong Kong	–	–	100	100	Nominee services
# Abagtha Ltd <sup>(13)</sup>	Hong Kong	–	–	100	100	Nominee services
		<u>64,677</u>	<u>86,493</u>			
			<u>84,793</u>			

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**5. Investments in subsidiaries (cont'd)**

+	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.

**5. Investments in subsidiaries (cont'd)**

**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.

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

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 (cont'd)**

**Acquisition of subsidiaries (cont'd)**

(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:

	<b>Fair value recognised on acquisition \$'000</b>
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
	<u>19,479</u>
Deferred tax liabilities	(2,473)
Trade and other payables	(2,813)
	<u>(5,286)</u>
Total identifiable net assets at fair value	14,193
Provisional goodwill arising from acquisition	39,411
	<u>53,604</u>
<u>Consideration transferred for the acquisition</u>	
Cash paid	41,124
Equity instruments issued (16,000,000 ordinary shares of Boardroom Limited)	12,480
Total consideration transferred	<u>53,604</u>
<u>Effect of the acquisition on cash flows</u>	
Consideration settled in cash	41,124
Less: cash and cash equivalents of subsidiaries acquired	(3,634)
Net cash outflow on acquisition	<u>37,490</u>

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 (cont'd)**

**Acquisition of subsidiaries (cont'd)**

(ii) Symphony group of companies (cont'd)

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**

	<b>2018</b> \$'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	<u>3,159</u>

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 <sup>(1)</sup>	Australia	Payroll services	31.5	–
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<sup>(1)</sup> Audited by Deloitte Touche Tohmatsu Limited, Australia and has local statutory financial year ending 30 June.

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 the 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 as its client profile and client reach.

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**6. Investment in associate (cont'd)**

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			Consolidated statement of comprehensive income	
	Balance sheet			Consolidated balance sheet				
	31.12. 2018	31.12. 2017	1.1. 2017	31.12. 2018	31.12. 2017	1.1. 2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax assets</b>								
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)
<b>Deferred tax liabilities</b>								
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)

**7. Deferred tax assets/(liabilities) (cont'd)**

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**

	<b>31.12.2018</b>	<b>Company 31.12.2017</b>	<b>1.1.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Amounts due from subsidiaries</b>			
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
<b>Amounts due to subsidiaries</b>			
- 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 MYR 5,680,000 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.

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**8. Amounts due from/(to) subsidiaries (cont'd)**

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:

	<b>Company</b>	
	<b>31.12.2017</b>	<b>1.1.2017</b>
	<b>\$'000</b>	<b>\$'000</b>
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:

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

**9. Short-term investments**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets measured at FVTPL</b>		
Quoted equity securities	57	–
Unquoted equity securities	878	–
	<u>935</u>	<u>–</u>

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**

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

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:

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

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**11. Trade and other receivables**

	<b>Company</b>			<b>Group</b>		
	<b>31.12. 2018 \$'000</b>	<b>31.12. 2017 \$'000</b>	<b>1.1. 2017 \$'000</b>	<b>31.12. 2018 \$'000</b>	<b>31.12. 2017 \$'000</b>	<b>1.1. 2017 \$'000</b>
Trade receivables	–	–	–	24,053	19,584	15,912
<i>Less:</i>						
Allowance for expected credit losses	–	–	–	(3,265)	(1,817)	(1,253)
	–	–	–	20,788	17,767	14,659
<i>Add:</i>						
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
<i>Add:</i>						
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

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.

**11. Trade and other receivables (cont'd)**

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:

	<b>Group</b>	
	<b>31.12.2017</b>	<b>1.1.2017</b>
	<b>\$'000</b>	<b>\$'000</b>
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
	<b>14,683</b>	<b>12,011</b>

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:

	<b>Group</b>	
	<b>31.12.2017</b>	<b>1.1.2017</b>
	<b>\$'000</b>	<b>\$'000</b>
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	<b>(1,817)</b>	<b>(1,253)</b>
Net trade receivables	<b>431</b>	<b>293</b>

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.



**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**11. Trade and other receivables (cont'd)**

Expected credit losses

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

	<b>Group</b> <b>31.12.2018</b> \$'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	<u>(3,265)</u>

**12. Cash and cash equivalents**

	<b>Company</b>		<b>Group</b>		
	<b>31.12.</b>	<b>31.12.</b>	<b>31.12.</b>	<b>31.12.</b>	<b>1.1.2017</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>\$'000</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed deposits	—	—	—	1,411	3,640
Cash and bank balances	4,202	4,037	5,386	23,211	17,259
	<u>4,202</u>	<u>4,037</u>	<u>5,386</u>	<u>24,622</u>	<u>20,899</u>
	2,927	17,258	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:

	<b>31.12.2018</b>	<b>Group</b>	<b>1.1.2017</b>
	\$'000	\$'000	\$'000
Held under trust			
Clients' bank accounts - contra	68,340	28,446	24,078
Clients' ledger balances - contra	(68,340)	(28,446)	(24,078)
	<u>—</u>	<u>—</u>	<u>—</u>

**13. Bank borrowings**

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

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.

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**14. Trade and other payables**

	<b>Company</b>			<b>Group</b>		
	<b>31.12. 2018</b>	<b>31.12. 2017</b>	<b>1.1. 2017</b>	<b>31.12. 2018</b>	<b>31.12. 2017</b>	<b>1.1. 2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Trade and other payables:</b>						
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
<b>Total trade and other payables</b>	<b>2,049</b>	<b>1,550</b>	<b>1,061</b>	<b>20,030</b>	<b>15,301</b>	<b>13,221</b>
<i>Add/(less):</i>						
GST receivable/ (payable)	–	80	98	(636)	(539)	(501)
	2,049	1,630	1,159	19,394	14,762	12,720
<i>Add:</i>						
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
<b>Total financial liabilities carried at amortised cost</b>	<b>50,759</b>	<b>10,160</b>	<b>11,226</b>	<b>67,644</b>	<b>23,262</b>	<b>22,720</b>

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:

	<b>Contract/notional amount</b>	<b>Fair value</b>	
	<b>\$'000</b>	<b>Positive fair value</b>	<b>Negative fair value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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.

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

**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**

	<b>Company and Group</b>			
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	Number of shares		\$'000	\$'000
<b>Issued and fully paid:</b>				
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**

	<b>Company</b>			<b>Group</b>		
	<b>31.12. 2018</b>	<b>31.12. 2017</b>	<b>1.1. 2017</b>	<b>31.12. 2018</b>	<b>31.12. 2017</b>	<b>1.1. 2017</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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.

**18. Reserves (cont'd)**

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.

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**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	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
<b>Major service lines</b>												
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
<b>Timing of transfer of services</b>												
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

**19. Revenue (cont'd)**

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**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
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
	<b>1,360</b>	<b>1,136</b>

**21. Employee benefits expense**

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

**Notes to the financial statements**  
**For the financial year ended 31 December 2018**

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**22. Profit before tax**

	<b>Note</b>	<b>Group</b> <b>2018</b> <b>\$'000</b>	<b>2017</b> <b>\$'000</b>
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:

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

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before tax	9,256	12,305
	<hr/>	<hr/>
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)
	<hr/> 2,306	<hr/> 1,732
	<hr/>	<hr/>

**23. Tax expense (cont'd)**

Relationship between tax expense and accounting profit (cont'd)

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

	<b>2018</b>	<b>2017</b>
Malaysia	24.0%	24.0%
Hong Kong	16.5%	16.5%
Australia	30.0%	30.0%
China	25.0%	25.0%

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**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:

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

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**25. Dividends**

<b>Company and Group</b>	
<b>2018</b>	<b>2017</b>
\$'000	\$'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
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**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
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**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.

- (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.

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**26. Statement of operations by segment (cont'd)**

(c) Segment assets and liabilities (cont'd)

	Singapore \$'000	Malaysia \$'000	Hong Kong \$'000	Australia \$'000	China \$'000	Consolidated \$'000
<b>31 December 2018</b>						
<b>Revenue</b>						
External sales	31,025	12,463	11,307	35,194	1,602	91,591
<b>Results</b>						
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
<b>Other information</b>						
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
<b>Capital expenditure</b>						
- 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

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**26. Statement of operations by segment (cont'd)**

(c) Segment assets and liabilities (cont'd)

	<b>Singapore \$'000</b>	<b>Malaysia \$'000</b>	<b>Hong Kong \$'000</b>	<b>Australia \$'000</b>	<b>China \$'000</b>	<b>Consolidated \$'000</b>
<b>31 December 2017 (Restated)</b>						
<b>Revenue</b>						
External sales	29,923	7,105	8,931	33,082	1,633	80,674
<b>Results</b>						
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
<b>Other information</b>						
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

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**26. Statement of operations by segment (cont'd)**

(c) Segment assets and liabilities (cont'd)

	<b>Singapore \$'000</b>	<b>Malaysia \$'000</b>	<b>Hong Kong \$'000</b>	<b>Australia \$'000</b>	<b>China \$'000</b>	<b>Consolidated \$'000</b>
<b>1 January 2017 (Restated)</b>						
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 (cont'd)**

(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**

	<b>Revenue</b>		<b>Non-current assets</b>		
	<b>2018</b>	<b>2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>1.1.2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
		(Restated)		(Restated)	(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
	<b>91,591</b>	<b>80,674</b>	<b>125,566</b>	<b>72,643</b>	<b>71,171</b>

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:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'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**

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



**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:

	<b>Company</b>		<b>Group</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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
	<b>8,521</b>	<b>3,757</b>	<b>16,861</b>	<b>14,658</b>

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 (cont'd)**

***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 (cont'd)**

***Currency risk (cont'd)***

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.

	<b>Cash flow hedge reserve \$'000</b>	<b>Cost of hedging reserve \$'000</b>	<b>Total \$'000</b>
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 (cont'd)**

***Credit risk (cont'd)***

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 (cont'd)**

***Credit risk (cont'd)***

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:

<b>Category</b>	<b>Definition of category</b>	<b>Basis for recognition of expected credit loss provision</b>	<b>Basis for Calculating interest revenue</b>
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.

**30. Financial risk management objectives and policies (cont'd)**

***Credit risk (cont'd)***

Investment in redeemable preference shares at amortised cost and loans at amortised cost (cont'd)

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.

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

**30. Financial risk management objectives and policies (cont'd)**

***Credit risk (cont'd)***

Trade receivables (cont'd)

Other geographical areas:

31 December 2018	Unbilled receivables	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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:

	31.12.2018 \$'000	Group 31.12.2017 \$'000	1.1.2017 \$'000
<u>By geographical areas:</u>			
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

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).

**30. Financial risk management objectives and policies (cont'd)**

***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
<b>Company and Group</b>			
<b>31.12.2018</b>			
<b>Derivative cash flows:</b>			
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 (cont'd)

*Liquidity risk (cont'd)*

	Not later than one year \$'000	One to five years \$'000	Total \$'000
<b>Company</b>			
<b>31.12.2018</b>			
<b>Non-derivative cash flows:</b>			
<b><i>Financial assets:</i></b>			
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
<b><i>Financial liabilities:</i></b>			
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
<b>Company</b>			
<b>31.12.2017</b>			
<b>Non-derivative cash flows:</b>			
<b><i>Financial assets:</i></b>			
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
<b><i>Financial liabilities:</i></b>			
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 (cont'd)

*Liquidity risk (cont'd)*

	Not later than one year \$'000	One to five years \$'000	Total \$'000
<b>Company</b>			
<b>1.1.2017</b>			
<b>Non-derivative cash flows:</b>			
<b><i>Financial assets:</i></b>			
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
<b><i>Financial liabilities:</i></b>			
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)
<b>Group</b>			
<b>31.12.2018</b>			
<b>Non-derivative cash flows:</b>			
<b><i>Financial assets:</i></b>			
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
<b><i>Financial liabilities:</i></b>			
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 (cont'd)

*Liquidity risk (cont'd)*

	Not later than one year \$'000	One to five years \$'000	Total \$'000
<b>Group</b>			
<b>31.12.2017</b>			
<b>Non-derivative cash flows:</b>			
<b><i>Financial assets:</i></b>			
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
<b><i>Financial liabilities:</i></b>			
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
<b>1.1.2017</b>			
<b>Non-derivative cash flows:</b>			
<b><i>Financial assets:</i></b>			
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
<b><i>Financial liabilities:</i></b>			
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.

	<b>Group</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>\$'000</b>	<b>\$'000</b>
		<b>(Restated)</b>
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
<b>Total current assets</b>	<b>51,588</b>	<b>42,997</b>
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	–
<b>Total current liabilities</b>	<b>36,601</b>	<b>21,042</b>
<b>Current ratio</b>	<b>1.41</b>	<b>2.04</b>

## 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 (cont'd)

	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
<b>2018</b>				
<b><i>Financial assets:</i></b>				
<u>Equity securities at fair value through profit or loss (Note 9)</u>				
Quoted equity securities	57	–	–	57
Unquoted equity securities	–	878	–	878
At 31 December 2018	57	878	–	935
<b><i>Financial liabilities:</i></b>				
<u>Derivatives (Note 15)</u>				
Cross currency interest rate swap	–	(109)	–	(109)
At 31 December 2018	–	(109)	–	(109)

**32. Fair value of assets and liabilities (cont'd)**

**A. Fair values of financial instruments (cont'd)**

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.

**32. Fair value of assets and liabilities (cont'd)**

**A. Fair values of financial instruments (cont'd)**

b) Determination of fair value (cont'd)

(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.

**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.

**33. Events occurring after the reporting period (cont'd)**

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.