

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

1 (a) (i) 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 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	Q3'19	Q3'18	Change	9M'19	9M'18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	106,737	105,014	1.6	319,207	319,982	-0.2
Sub-contractor expenses	(68,369)	(65,146)	4.9	(207,303)	(203,867)	1.7
<b>Gross profit</b>	<u>38,368</u>	<u>39,868</u>	-3.8	<u>111,904</u>	<u>116,115</u>	-3.6
Other income	3,019	1,433	110.7	15,367	10,251	49.9
Selling, general, administrative and other expenses :						
Other employee benefit expenses	(19,163)	(19,341)	-0.9	(56,125)	(58,638)	-4.3
Facilities and depreciation expenses	(3,191)	(2,890)	10.4	(9,024)	(8,143)	10.8
Selling expenses	(1,060)	(1,223)	-13.3	(3,349)	(3,007)	11.4
Other expenses	(1,152)	(951)	21.1	(2,927)	(2,332)	25.5
Finance costs	(101)	-	n.m.	(238)	-	n.m.
	<u>(24,667)</u>	<u>(24,405)</u>	1.1	<u>(71,663)</u>	<u>(72,120)</u>	-0.6
<b>Profit before income tax</b>	16,720	16,896	-1.0	55,608	54,246	2.5
Income tax expense	(3,576)	(3,232)	10.6	(9,622)	(9,438)	1.9
<b>Profit for the period ("NPAT")</b>	<u>13,144</u>	<u>13,664</u>	-3.8	<u>45,986</u>	<u>44,808</u>	2.6
<b>Other comprehensive income (loss):</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translation of foreign operations	148	(246)	n.m.	(253)	(3)	n.m.
<b>Other comprehensive income (loss) for the period, net of tax</b>	<u>148</u>	<u>(246)</u>	n.m.	<u>(253)</u>	<u>(3)</u>	n.m.
<b>Total comprehensive income for the period</b>	<u>13,292</u>	<u>13,418</u>	-0.9	<u>45,733</u>	<u>44,805</u>	2.1
<b>Profit attributable to:</b>						
Owners of the Company ("PATMI")	11,980	12,596	-4.9	42,810	41,902	2.2
Non-controlling interests	1,164	1,068	9.0	3,176	2,906	9.3
	<u>13,144</u>	<u>13,664</u>	-3.8	<u>45,986</u>	<u>44,808</u>	2.6
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	12,089	12,474	-3.1	42,597	42,009	1.4
Non-controlling interests	1,203	944	27.4	3,136	2,796	12.2
	<u>13,292</u>	<u>13,418</u>	-0.9	<u>45,733</u>	<u>44,805</u>	2.1

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### 1 (a) (ii) Notes to consolidated statements of profit or loss and other comprehensive income

The Group's profit for the period has been arrived at after crediting (charging) the following:

	Q3'19 S\$'000	Q3'18 S\$'000	9M'19 S\$'000	9M'18 S\$'000
Net fair value (loss) gain on financial assets mandatorily measured at FVTPL <sup>(2)</sup>	1,633	265	6,436	1,838
Net fair value gain (loss) on financial assets designated at FVTPL	(7)	-	286	-
Interest income	973	906	3,396	2,360
Reversal of (Allowance for) doubtful receivables	157	(181)	(10)	(194)
Government subsidies (WCS, SEC, TEC only) <sup>(1)</sup>	147	138	4,617	5,645
Dividend income	208	112	397	249
Amortisation of intangible assets (including amount arising from PPA exercise on REForce acquisition)	(220)	(22)	(281)	(66)
Depreciation of plant and equipment	(264)	(242)	(754)	(623)
Professional & legal Fees	(288)	(268)	(879)	(780)
Share-based payment expenses	(303)	(311)	(867)	(2,098)
Foreign exchange gain/loss	(370)	(226)	(617)	(257)
Depreciation of right-of-use assets <sup>(3)</sup>	(1,846)	-	(4,902)	-

#### Notes:

- <sup>(1)</sup> WCS refers to Wage Credit Scheme; SEC refers to Special Employment Credit; and TEC refers to Temporary Employment Credit.
- <sup>(2)</sup> FVTPL refers to fair value through profit or loss.
- <sup>(3)</sup> Rental expenses of office premises with a lease term of more than 12 months. Arose from the adoption of SFRS(I) 16 *Leases* with effect from 1 January 2019.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

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.

### STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	238,696	281,810	86,145	136,237
Trade receivables	76,114	81,266	-	-
Other receivables and prepayments	7,609	5,896	46,539	73,564
Other financial assets	25,163	16,078	25,163	16,050
<b>Total current assets</b>	<b>347,582</b>	<b>385,050</b>	<b>157,847</b>	<b>225,851</b>
<b>Non-current assets</b>				
Pledged deposits	1,045	841	-	-
Plant and equipment	1,686	1,559	-	-
Right-of-use assets	14,922	-	-	-
Other intangible assets	1,491	2,461	-	-
Goodwill	5,186	12,298	-	-
Subsidiaries	-	-	48,427	48,427
Associate	55,429	-	55,429	-
Other financial assets	5,663	12,197	5,045	11,697
Deferred tax assets	836	905	-	-
<b>Total non-current assets</b>	<b>86,258</b>	<b>30,261</b>	<b>108,901</b>	<b>60,124</b>
<b>Total assets</b>	<b>433,840</b>	<b>415,311</b>	<b>266,748</b>	<b>285,975</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	5,933	6,486	-	-
Other payables and accruals	36,009	39,296	675	235
Leases liabilities	7,404	-	-	-
Deferred considerations	5,102	4,806	-	-
Income tax payable	7,737	10,703	680	317
<b>Total current liabilities</b>	<b>62,185</b>	<b>61,291</b>	<b>1,355</b>	<b>552</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	320	581	-	-
Leases liabilities	7,608	-	-	-
Deferred considerations	-	8,615	-	-
<b>Total non-current liabilities</b>	<b>7,928</b>	<b>9,196</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	260,605	260,605	260,605	260,605
Treasury shares	(3,590)	(4,903)	(3,590)	(4,903)
Equity reserve	(47,201)	(47,563)	(437)	(437)
Share-based payment reserve	1,435	2,137	1,435	2,137
Translation reserve	(110)	103	-	-
Retained earnings	137,167	122,981	7,380	28,021
Equity attributable to owners of the Company	348,306	333,360	265,393	285,423
Non-controlling interests	15,421	11,464	-	-
<b>Total equity</b>	<b>363,727</b>	<b>344,824</b>	<b>265,393</b>	<b>285,423</b>
<b>Total liabilities and equity</b>	<b>433,840</b>	<b>415,311</b>	<b>266,748</b>	<b>285,975</b>

**UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

**1 (b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

	As at 30 Sep 2019 S\$'000	As at 31 Dec 2018 S\$'000
<b><u>Leases liabilities, unsecured</u></b> <sup>(1)</sup>		
Amount repayable within one year	7,404	-
Amount repayable after one year	7,608	-
	15,012	-

**Note:**

<sup>(1)</sup> Arose from the adoption of SFRS(I) 16 *Leases*. Details of the impact from the adoption is presented in paragraph 5, page 18 of this result announcement.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

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 STATEMENTS OF CASH FLOWS

	Q3'19 S\$'000	Q3'18 S\$'000	9M'19 S\$'000	9M'18 S\$'000
<b><u>Operating activities</u></b>				
Profit before income tax	16,720	16,896	55,608	54,246
Adjustments for:				
Depreciation of right-of-use assets	1,846	-	4,902	-
Depreciation of plant and equipment	264	242	754	623
Amortisation of intangible assets	220	22	281	66
Interest income	(973)	(906)	(3,396)	(2,360)
Finance costs	101	-	238	-
Dividend income	(208)	(112)	(397)	(249)
Share-based payment expenses	303	311	867	2,098
Gain on disposal of plant and equipment	-	-	-	(1)
Net fair value gain on financial assets mandatorily measured at FVTPL	(1,633)	(265)	(6,436)	(1,838)
Net fair value loss (gain) on financial assets designated at FVTPL	7	-	(286)	-
Net increase in deferred consideration	30	-	30	-
Gain on disposal of plant and equipment	(2)	-	(2)	-
(Reversal of) Allowance for doubtful receivables	(157)	181	10	194
<b>Operating cash flows before movements in working capital</b>	<b>16,518</b>	<b>16,369</b>	<b>52,173</b>	<b>52,779</b>
Trade receivables	4,085	2,818	5,138	(3,887)
Other receivables and prepayments	139	45	(1,284)	(738)
Trade payables	(364)	(300)	(553)	(35)
Other payables and accruals	182	(780)	(1,714)	(1,065)
<b>Cash generated from operations</b>	<b>20,560</b>	<b>18,152</b>	<b>53,760</b>	<b>47,054</b>
Interest received	1,087	693	3,076	1,808
Interest paid	(101)	-	(238)	-
Income tax paid	(5,683)	(4,418)	(12,540)	(9,601)
<b>Net cash from operating activities</b>	<b>15,863</b>	<b>14,427</b>	<b>44,058</b>	<b>39,261</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	Q3'19	Q3'18	9M'19	9M'18
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Investing activities</u></b>				
Dividends received	200	167	389	235
Purchase of plant and equipment and intangible assets	(599)	(466)	(1,058)	(1,314)
Proceeds from disposal of plant and equipment	5	-	5	1
Purchase of financial assets mandatorily measured at FVTPL	(4,007)	(5,391)	(14,422)	(14,023)
Proceeds from disposal of financial assets mandatorily measured at FVTPL	10,494	-	11,773	-
Purchase of equity investments designated at FVTPL	-	-	-	(6,299)
Proceed from disposal of equity investments designated at FVTPL	-	-	6,763	-
Consideration paid for acquired subsidiary	-	(367)	(48)	(367)
Proceeds from sales of ownership interests in subsidiaries to non-controlling shareholders	-	-	164	92
Change in ownership interests in subsidiaries	(202)	-	(448)	-
Purchase of an associate	(55,429)	-	(55,429)	-
<b>Net cash used in investing activities</b>	<b>(49,538)</b>	<b>(6,057)</b>	<b>(52,311)</b>	<b>(21,675)</b>
<b><u>Financing activities</u></b>				
Dividends paid to non-controlling shareholders	-	-	(1,840)	(1,186)
Dividends paid	-	-	(28,163)	(23,456)
Proceeds from (Placement of) pledged deposits	14	(116)	(207)	(116)
Purchase of treasury shares	(290)	(3,562)	(290)	(5,927)
Repayment of leases liabilities	(1,786)	-	(4,808)	-
Capital contributions by non-controlling shareholders in subsidiaries	-	108	1,047	108
<b>Net cash used in financing activities</b>	<b>(2,062)</b>	<b>(3,570)</b>	<b>(34,261)</b>	<b>(30,577)</b>
Net (decrease) increase in cash and cash equivalents	(35,737)	4,800	(42,514)	(12,991)
<b>Cash and cash equivalents at beginning of the period</b>	<b>274,441</b>	<b>271,004</b>	<b>281,810</b>	<b>289,090</b>
Effect of foreign exchange rate changes	(8)	(437)	(600)	(732)
<b>Cash and cash equivalents at end of the period</b>	<b>238,696</b>	<b>275,367</b>	<b>238,696</b>	<b>275,367</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

- 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.

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 January 2019	260,605	(4,903)	(47,563)	2,137	103	122,981	333,360	11,464	344,824
<b><u>Total comprehensive income (loss) for the period</u></b>									
Profit for the period	-	-	-	-	-	19,314	19,314	866	20,180
Other comprehensive (loss) income for the period	-	-	-	-	(214)	-	(214)	16	(198)
<b><u>Transactions with owners, recognised directly in equity</u></b>									
Recognition of share-based payment	-	-	-	269	-	-	269	-	269
Change in ownership interests in subsidiaries	-	-	5	-	-	-	5	(87)	(82)
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	648	648
Liquidation of a subsidiary	-	-	358	-	-	(358)	-	-	-
<b>Balance as at 31 March 2019</b>	<b>260,605</b>	<b>(4,903)</b>	<b>(47,200)</b>	<b>2,406</b>	<b>(111)</b>	<b>141,937</b>	<b>352,734</b>	<b>12,907</b>	<b>365,641</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP (CONT'D)

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 April 2019	260,605	(4,903)	(47,200)	2,406	(111)	141,937	352,734	12,907	365,641
<b><i>Total comprehensive income (loss) for the period</i></b>									
Profit for the period	-	-	-	-	-	11,516	11,516	1,146	12,662
Other comprehensive loss for the period	-	-	-	-	(108)	-	(108)	(95)	(203)
<b><i>Transactions with owners, recognised directly in equity</i></b>									
Recognition of share-based payment	-	-	-	295	-	-	295	-	295
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,569	-	(1,569)	-	-	-	-	-
Change in ownership interests in subsidiaries	-	-	(1)	-	-	-	(1)	1	-
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	399	399
Dividends	-	-	-	-	-	(28,163)	(28,163)	-	(28,163)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(541)	(541)
<b>Balance as at 30 June 2019</b>	<b>260,605</b>	<b>(3,334)</b>	<b>(47,201)</b>	<b>1,132</b>	<b>(219)</b>	<b>125,290</b>	<b>336,273</b>	<b>13,817</b>	<b>350,090</b>



## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP (CONT'D)

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share- based payment reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 July 2019	260,605	(3,334)	(47,201)	1,132	(219)	125,290	336,273	13,817	350,090
<b><i>Total comprehensive income for the period</i></b>									
Profit for the period	-	-	-	-	-	11,980	11,980	1,164	13,144
Other comprehensive income for the period	-	-	-	-	109	-	109	39	148
<b><i>Transactions with owners, recognised directly in equity</i></b>									
Recognition of share-based payment	-	-	-	303	-	-	303	-	303
Purchase of treasury shares	-	(290)	-	-	-	-	(290)	-	(290)
Treasury shares reissued pursuant to Subscription Letter	-	34	-	-	-	-	34	-	34
Change in ownership interests in subsidiaries	-	-	-	-	-	(103)	(103)	401	298
<b>Balance as at 30 September 2019</b>	<b>260,605</b>	<b>(3,590)</b>	<b>(47,201)</b>	<b>1,435</b>	<b>(110)</b>	<b>137,167</b>	<b>348,306</b>	<b>15,421</b>	<b>363,727</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP (CONT'D)

	Share capital S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 January 2018	260,605	(47,534)	1,437	(43)	98,025	312,490	8,279	320,769
<b><i>Total comprehensive income for the period</i></b>								
Profit for the period	-	-	-	-	16,294	16,294	968	17,262
Other comprehensive income for the period	-	-	-	173	-	173	57	230
<b><i>Transactions with owners, recognised directly in equity</i></b>								
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(223)	(223)
Recognition of share-based payment	-	-	646	-	-	646	-	646
<b>Balance as at 31 March 2018</b>	<b>260,605</b>	<b>(47,534)</b>	<b>2,083</b>	<b>130</b>	<b>114,319</b>	<b>329,603</b>	<b>9,081</b>	<b>338,684</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP (CONT'D)

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share- based payment reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 April 2018	260,605	-	(47,534)	2,083	130	114,319	329,603	9,081	338,684
<b><i>Total comprehensive income (loss)</i></b>									
<b><i>for the period</i></b>									
Profit for the period	-	-	-	-	-	13,012	13,012	870	13,882
Other comprehensive income (loss) for the period	-	-	-	-	56	-	56	(43)	13
<b><i>Transactions with owners, recognised directly in equity</i></b>									
Purchase of treasury shares	-	(2,366)	-	-	-	-	(2,366)	-	(2,366)
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,730	-	(1,730)	-	-	-	-	-
Change in ownership interests in subsidiaries	-	-	(20)	-	-	-	(20)	112	92
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	127	127
Recognition of share-based payment	-	-	-	1,141	-	-	1,141	-	1,141
Dividends	-	-	-	-	-	(23,262)	(23,262)	-	(23,262)
<b>Balance as at 30 June 2018</b>	<b>260,605</b>	<b>(636)</b>	<b>(47,554)</b>	<b>1,494</b>	<b>186</b>	<b>104,069</b>	<b>318,164</b>	<b>10,147</b>	<b>328,311</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE GROUP (CONT'D)

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share- based payment reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 July 2018	260,605	(636)	(47,554)	1,494	186	104,069	318,164	10,147	328,311
<b><i>Total comprehensive income (loss)</i></b>									
<b><i>for the period</i></b>									
Profit for the period	-	-	-	-	-	12,596	12,596	1,068	13,664
Other comprehensive loss for the period	-	-	-	-	(122)	-	(122)	(124)	(246)
<b><i>Transactions with owners, recognised directly in equity</i></b>									
Purchase of treasury shares	-	(3,562)	-	-	-	-	(3,562)	-	(3,562)
Liquidation of a subsidiary	-	-	(9)	-	-	40	31	(31)	-
Non-controlling interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	297	297
Decrease in capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	(10)	(10)
Recognition of share-based payment	-	-	-	311	-	-	311	-	311
<b>Balance as at 30 September 2018</b>	<b>260,605</b>	<b>(4,198)</b>	<b>(47,563)</b>	<b>1,805</b>	<b>64</b>	<b>116,705</b>	<b>327,418</b>	<b>11,347</b>	<b>338,765</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE COMPANY

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Balance as at 1 January 2019</b>	<b>260,605</b>	<b>(4,903)</b>	<b>(437)</b>	<b>2,137</b>	<b>28,021</b>	<b>285,423</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	6,073	6,073
<b><u>Transactions with owners, recognised directly in equity</u></b>						
Recognition of share-based payment	-	-	-	269	-	269
<b>Balance as at 31 March 2019</b>	<b>260,605</b>	<b>(4,903)</b>	<b>(437)</b>	<b>2,406</b>	<b>34,094</b>	<b>291,765</b>

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Balance as at 1 April 2019</b>	<b>260,605</b>	<b>(4,903)</b>	<b>(437)</b>	<b>2,406</b>	<b>34,094</b>	<b>291,765</b>
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	35	35
<b><u>Transactions with owners, recognised directly in equity</u></b>						
Recognition of share-based payment	-	-	-	295	-	295
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,569	-	(1,569)	-	-
Dividends	-	-	-	-	(28,163)	(28,163)
<b>Balance as at 30 June 2019</b>	<b>260,605</b>	<b>(3,334)</b>	<b>(437)</b>	<b>1,132</b>	<b>5,966</b>	<b>263,932</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE COMPANY (CONT'D)

	Share capital S\$'000	Treasury shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as at 1 July 2019	260,605	(3,334)	(437)	1,132	5,966	263,932
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	1,414	1,414
<b><u>Transactions with owners, recognised directly in equity</u></b>						
Purchase of treasury shares	-	(290)	-	-	-	(290)
Recognition of share-based payment	-	-	-	303	-	303
Treasury shares reissued pursuant to Subscription Letter	-	34	-	-	-	34
<b>Balance as at 30 September 2019</b>	<b>260,605</b>	<b>(3,590)</b>	<b>(437)</b>	<b>1,435</b>	<b>7,380</b>	<b>265,393</b>

	Share capital S\$'000	Treasury Shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as at 1 January 2018	260,605	-	(437)	1,437	23,264	284,869
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	1,353	1,353
<b><u>Transactions with owners, recognised directly in equity</u></b>						
Recognition of share-based payment	-	-	-	646	-	646
<b>Balance as at 31 March 2018</b>	<b>260,605</b>	<b>-</b>	<b>(437)</b>	<b>2,083</b>	<b>24,617</b>	<b>286,868</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### STATEMENTS OF CHANGES IN EQUITY FOR THE COMPANY (CONT'D)

	Share capital S\$'000	Treasury Shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as at 1 April 2018	260,605	-	(437)	2,083	24,617	286,868
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	1,222	1,222
<b><u>Transactions with owners, recognised directly in equity</u></b>						
Purchase of treasury shares	-	(2,366)	-	-	-	(2,366)
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	-	1,730	-	(1,730)	-	-
Recognition of share-based payment	-	-	-	1,141	-	1,141
Dividends	-	-	-	-	(23,262)	(23,262)
<b>Balance as at 30 June 2018</b>	<b>260,605</b>	<b>(636)</b>	<b>(437)</b>	<b>1,494</b>	<b>2,577</b>	<b>263,603</b>

	Share capital S\$'000	Treasury Shares S\$'000	Equity reserve S\$'000	Share-based payment reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as at 1 July 2018	260,605	(636)	(437)	1,494	2,577	263,603
<b><u>Total comprehensive income for the period</u></b>						
Profit for the period	-	-	-	-	904	904
<b><u>Transactions with owners, recognised directly in equity</u></b>						
Purchase of treasury shares	-	(3,562)	-	-	-	(3,562)
Recognition of share-based payment	-	-	-	311	-	311
<b>Balance as at 30 September 2018</b>	<b>260,605</b>	<b>(4,198)</b>	<b>(437)</b>	<b>1,805</b>	<b>3,481</b>	<b>261,256</b>

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

- 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 year 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.**

	Number of shares	Share Capital S\$'000
As at 1 January 2019 and 31 March 2019	1,005,819,572	255,702
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	1,787,100	1,569
As at 30 June 2019	1,007,606,672	257,271
Treasury shares reissued pursuant to Subscription Letter	37,963	34
Purchase of treasury shares	(502,000)	(290)
As at 30 September 2019	1,007,142,635	257,015
	<b>As at 30 Sep 2019</b>	<b>As at 30 Sep 2018</b>
Number of treasury shares	4,264,237	4,750,400
Number of issued shares excluding treasury shares	1,007,142,635	1,006,656,472
Percentage of the aggregate number of treasury shares held against the issued shares excluding treasury shares	0.4234%	0.4719%

Save as disclosed, the Company did not have any outstanding convertibles and subsidiary holdings as at 30 September 2019, 31 December 2018 and 30 September 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.**

	As at 30 Sep 2019	As at 31 Dec 2018
Issued shares	1,011,406,872	1,011,406,872
Treasury shares	(4,264,237)	(5,587,300)
Issued shares excluding treasury shares	1,007,142,635	1,005,819,572



## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

**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.**

	Number of treasury shares
As at 1 January 2019 and 31 March 2019	5,587,300
Treasury shares reissued pursuant to bonus shares vested under 123GROW Plan	(1,787,100)
As at 30 June 2019	3,800,200
Treasury shares reissued pursuant to Subscription Letter	(37,963)
Purchase of treasury shares	502,000
As at 30 September 2019	<u>4,264,237</u>

The Company did not have any sales, transfers, cancellation and/or use of treasury shares during the current financial period reported on.

**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.**

The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the auditors of the Company.

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

Not applicable.

**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 and the Company consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2018, except for the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases*, which is effective from annual period beginning on 1 January 2019.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

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 and the Company adopted SFRS(I) 16 *Leases* on 1 January 2019, using the modified retrospective approach where the lease liability is measured based on the remaining lease payments discounted using the incremental borrowing rate as of the date of initial application. There is also no restatement of comparative information which was prepared in accordance with the requirement of SFRS(I) 1-17. The Group elected the following practical expedients: i) 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; ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to lease for which the lease term ends within 12 months as of 1 January 2019; and iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics. On adoption of SFRS(I) 16 as of 1 January 2019, the Group recognised right-of-use assets and lease liabilities of S\$14.5m respectively for its leases previously classified as operating leases.

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			
	Q3'19	Q3'18	9M'19	1H'18
PATMI (S\$'000)	11,980	12,596	42,810	41,902
Number of shares ('000)				
- Basic	1,007,463	1,008,808	1,006,445	1,010,175
- Diluted	1,010,517	1,012,812	1,009,499	1,014,179
Earnings per share ("EPS") (cents)				
- Basic	1.19	1.25	4.25	4.15
- Diluted	1.19	1.24	4.24	4.13

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	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Net asset value (S\$'000)	348,306	333,360	265,393	285,423
Number of issued shares excluding treasury shares ('000)	1,007,143	1,005,820	1,007,143	1,005,820
Net asset value per share (cents)	34.58	33.14	26.35	28.38

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

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 year 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 year reported on.**

### REVIEW OF THE GROUP'S PERFORMANCE

NPAT excluding the effect from revaluation of HR marketable securities rose by 3.5% to S\$13.9m (2018: S\$13.4m) and revenue rose by 1.6% to S\$106.7m (2018: S\$105.0m).

North Asia continues to report strong momentum with revenue increase of 16.6% to S\$30.1m (2018: S\$25.8m) and gross profit increase of 5.0% to S\$18.2m (2018: S\$17.3m). The proportion of contribution to the Group gross profit has also been steadily stepping up every quarter to 47.7% (2018: 43.5%).

- Our 5 brands in Hong Kong servicing the diversity of sectors there saw an increase in revenue by 37.0%, demonstrating resilience in the face of challenges in the business environment impacted by the protests in Hong Kong.
- Our 229-heartcount strong operations across 4 cities and 4 brands in Mainland China reported 17.6% increase in revenue, including full quarter contribution from REForce and also our RecruitFirst start-up that commenced operations in Shanghai since the second quarter.
- Our Taiwan operations reported 9.2% growth in revenue, including encouraging contribution from our RecruitFirst start-up which commenced operations in the quarter.

Whilst Singapore's economy narrowly escaped a technical recession, the low growth of 0.1% in its Q3 GDP continues to drag business sentiments as our Singapore revenue contracted by 3.7% to S\$74.2m (2018: S\$77.1m) and gross profit 11.3% to S\$18.8m (2018: S\$21.2m). Singapore contributes 48.9% (2018: 53.1%) to Group gross profit.

As Flexible Staffing ("FS") carries the gross profit margin of 14.6% (2018: 15.4%) and Professional Recruitment ("PR") 99.6% (2018: 99.5%), the increase in FS revenue by S\$2.9m and the decrease in PR revenue by S\$1.1m brought about the decrease in overall gross profit margin from 38.0% to 35.9%. Overall, the relative proportion gross profit from PR/FS remains stable at 68.7%/30.3% (2018: 68.9%/29.7%).

Other income increased by S\$1.6m mainly because of S\$2.3m realised gain (2018: nil) from the disposal of certain marketable securities as we rebalanced our investment portfolio in the HR space, and that was partially offset by S\$0.7m loss (2018: S\$0.3m gain) from the revaluation of those HR marketable securities held on hand.

### Staffline

On 2 August 2019, the Group announced that it owned 25.02% of the total voting rights of Staffline Group plc ("Staffline"), making Staffline an associate company. Listed on the AIM of the London Stock Exchange, Staffline is a leading workforce recruitment and training organisation providing services mainly in the UK and Eire, to both Government and commercial customers. As of 3 September 2019, the Group has increased its stake to 29.95%.

Staffline's announcement on 17 September 2019 mentioned that

- a. Staffline expected to "deliver full year adjusted operating profit (being profits before interest, tax and non-underlying charges) of approximately £20m"
- b. Staffline a net loss of £6m in the six months ended 30 June 2019
- c. The intention to appoint Adeline Sim as a Non-Executive Director

The Group's share of the associate company's earnings has not been determined for the current reporting quarter as it reports results on a half-yearly basis.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### REVIEW OF GROUP'S FINANCIAL POSITION

Cash and cash equivalents reduced by S\$35.7m to S\$238.7m as operating activities generated S\$15.9m cash, disposal of HR marketable securities generated proceeds of S\$10.5m, while S\$55.4m was used to invest in Staffline and S\$4.0m in other HR marketable securities; and S\$2.1m in financing activities.

The Purchase Price Allocation ("PPA") exercise relating to the acquisition of 51% in REForce was completed during the quarter, resulting in the adjustment of goodwill and deferred considerations.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**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 year and the next 12 months.**

- a. According to Willis Towers Watson's new report featuring inputs from 44 countries, three years ago, seven in 10 organisations were already using "non-employee talent". The past three years have seen a rise in the use of contingent workers globally. Based on the views of 1,014 companies surveyed worldwide, employers are expecting full-time employees to represent a smaller share of their overall workforce in the next three years, with a corresponding increase in the proportion of contingent talent during this period. (Source: [https://www.humanresourcesonline.net/as-automation-expands-heres-how-it-will-impact-talent-sourcing-and-mix/?utm\\_campaign=20191004\\_hrdaily&utm\\_medium=email&utm\\_source=SG&utm\\_content=features](https://www.humanresourcesonline.net/as-automation-expands-heres-how-it-will-impact-talent-sourcing-and-mix/?utm_campaign=20191004_hrdaily&utm_medium=email&utm_source=SG&utm_content=features))

Digitalisation and automation have also changed the profile of jobs. Over the past 3 years, the value of assignments arising from digital-oriented positions and clients constitute 6% of our revenue. We have been experiencing the shift in client requirements for a fluid workforce as they cope with re-designing job roles and functions. In response, we are rapidly ramping up our flexible staffing business by building the RecruitFirst brand across the region. We rolled out RecruitFirst in 2013 with Singapore, 2017 with Hong Kong, and this year with Kuala Lumpur, Shanghai and Taipei. We are now preparing a joint-venture setup in Jakarta with the co-owners of PT HRnet Rimbun, to commence operations next year. The recurring nature of the service will greatly increase stickiness while clients explore variations in workforce mix in this climate of economic uncertainty.

- b. The Monetary Authority of Singapore expressed its baseline view on 24 October 2019 on Singapore's export-reliant economy that "the current cycle should be bottoming out toward the end of the year and into next year".
- c. On 29 Oct 2019, the European Union agreed to postpone Brexit until 31 January 2020. As December is the seasonal busy period for Staffline's recruitment division, this delay bodes well for Staffline as the U.K. averted a chaotic departure from the 28-nation bloc which traditionally provides workforce to the U.K.
- d. Given the softening economic outlook and mature market in Singapore, the Group is looking to fuel its growth through value-accretive investments and acquisitions internationally, as evident with the investment into Staffline in the current financial year.

Barring unforeseen circumstance, the Group is optimistic that the full year financial performance will continue to remain strong.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### 11. Dividend

**a. Any dividend declared for the current financial period reported on?**

Nil.

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

Nil.

**c. The date the dividend is payable.**

Not applicable.

**d. The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

### 12. If no dividend has been declared, a statement to that effect and the reason for the decision.

No interim dividend has been declared in the third quarter of 2019 (third quarter 2018: nil). The Company pays a final dividend as may be recommended by the Board and approved by shareholders at the Annual General Meeting.

### 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 has not obtained a general mandate from shareholders for interested persons transactions.

### 14. Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors hereby confirms, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for period ended 30 September 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 under Rule 720(1) of the Listing Manual.

## UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

### 16. Use of IPO proceeds

Pursuant to the Company's IPO, the Company received gross proceeds from the IPO of approximately S\$174.1m, the utilisation of which as of 30 September 2019 is set out as below:

	<b>Amount utilised</b>
	<b>S\$'000</b>
Underwriting commission	4,656
Professional fees and other miscellaneous expenses (including listing fees)	4,415
Purchase of financial assets mandatorily measured at FVTPL (Cost)	36,455
Purchase of equity investments designated at FVTPL (Cost)	6,311
Acquisition and investment in subsidiaries	1,858
Investment in associate	55,459
Start-up of subsidiaries	5,589
	<u>114,743</u>

### By order of the Board

Sim Yong Siang  
 Founding Chairman  
 8 November 2019

Adeline Sim Wei Ling  
 Chief Legal Officer and Executive Director  
 8 November 2019