



G. K. GOH HOLDINGS LIMITED
Financial Statements
And Related Announcement
For The Year Ended 31 December 2017

(Co. Reg. No. 199000184D)

TABLE OF CONTENTS

| | | |
|-----|--|----|
| 1. | REVIEW OF PERFORMANCE OF THE GROUP | 2 |
| 2. | VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS | 3 |
| 3. | COMMENTARY ON PROSPECTS | 3 |
| 4. | STATEMENT OF COMPREHENSIVE INCOME | 4 |
| 5. | BALANCE SHEETS | 5 |
| 6. | STATEMENTS OF CHANGES IN EQUITY | 6 |
| 7. | CONSOLIDATED CASH FLOW STATEMENT | 11 |
| 8. | NOTES TO THE FINANCIAL STATEMENTS | |
| | A. SHARE CAPITAL | 13 |
| | B. REVENUE AND EXPENSES | 13 |
| | C. TAX | 14 |
| | D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS | 14 |
| | E. EARNINGS PER SHARE | 14 |
| | F. NET ASSET VALUE PER SHARE | 14 |
| | G. SEGMENTAL RESULTS | 15 |
| | H. BREAKDOWN OF SALES | 17 |
| | I. ACCOUNTING POLICIES | 17 |
| 9. | DIVIDENDS | 18 |
| 10. | AUDIT | 18 |
| 11. | INTERESTED PERSON TRANSACTIONS | 18 |
| 12. | DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER | 18 |
| 13. | CONFIRMATION PURSUANT TO RULE 720(1) | 18 |

REVIEW OF PERFORMANCE OF THE GROUP

Results for the Fourth Quarter

The most significant event in the fourth quarter was the sale of the Group's stake in EUN Holdings LLP ("EUN") for S\$106.5 million, resulting in a S\$68.2 million boost to the net asset value of the Group. We believed that the long-term potential of EUN's extensive fibre optic assets in Europe would eventually generate excellent returns, and together with our key partners in EUN, we agreed to monetise our investment when a firm bid was received. Nevertheless, we re-invested 15% of the proceeds (S\$16.1 million) in the acquiring entity to continue to participate in the growth in data transmission in Europe.

The sale was announced on 6 November 2017 and payment was received in January 2018. As such, the transaction was reflected in the fourth quarter financial statements within the S\$56.7 million gain in fair value of available-for-sale financial assets. This figure is lower than the EUN profit because of two reasons: a S\$2.6 million diminution in the value of our investment in Eastern & Oriental Bhd, and the transfer of fair value gain of S\$9.2 million from the sale of our stake in Croesus Retail Trust ("Croesus") upon completion of its disposal.

Overall, total comprehensive income for the quarter amounted to S\$60.8 million (4Q16: S\$14.2 million), boosting the Group's net asset value ("NAV") per share to S\$1.442 (from S\$1.257 in the third quarter and S\$1.189 a year ago).

Fourth quarter Group operating revenue was 10% lower at S\$32.1 million (4Q16: S\$35.8 million), mainly because of a reduction in gains from long-term investments. Net profits were lower at S\$8.5 million (4Q16: S\$23.8 million) in the absence of last year's one-off exceptional gains from Opal Aged Care Group ("Opal"), resulting in earnings per share of 2.43 cents for the quarter (4Q16: 7.27 cents).

Corporate services provider Boardroom Limited ("Boardroom") grew its revenues by 6% to S\$20.1 million, and its net profits by 48% to S\$5.1 million, continuing the steady improvement seen over the past year.

Opal, the Australian aged care company, contributed S\$3.3 million to associate profits, lower than the S\$4.1 million of recurring profits in 4Q16 (the reported profit of S\$20.8 million in 4Q16 included S\$16.7 million from a one-off deferred tax writeback). Opal's profitability has been affected by changes in government funding which were announced in 2016, the full impact of which will be felt progressively over the next two years.

Our other associate companies in aggregate contributed S\$1.0 million to Group profits.

Investment income amounted to S\$11.2 million, of which S\$9.2 million related to the completion of the Croesus sale.

The Group's December 2017 balance sheet shows net current liabilities of S\$20.7 million. However, the Group's liquidity position was substantially strengthened with the receipt of the EUN sale proceeds in January.

Results for the Year

Group total comprehensive income for 2017 totalled S\$93.3 million (2016: S\$27.6 million). Net profits from continuing operations were S\$26.1 million (2016: S\$31.6 million). Most of the gap between the two numbers reflects the S\$68.2 million gain from the sale of EUN, which was announced in November but only completed after the year end, in January. As such, the profit was recognised as a change in the fair value of available-for-sale financial assets, as detailed in the Fourth Quarter report.

In the third and fourth quarters respectively, the Group announced the sale of its stakes in Croesus and EUN, in both cases as a result of third party bids for the companies. Profits from the sales have substantially boosted the Group's NAV to S\$1.442 per share. Inclusive of the 3 cents final dividend paid during the year, this reflects an increase of 24% from the December 2016 NAV of S\$1.189.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

The sales have substantially liquefied the Group's balance sheet, freeing up capital for new investments. In July, our wholly-owned subsidiary Allium Healthcare Holdings Pte Ltd ("Allium") broke ground for a modern 129-bed nursing home at Venus Drive in Singapore, with completion by January 2019. This is the first step in building out a suite of aged-care assets in Singapore. There will be an increase in employee costs in 2018 as we continue to hire staff ahead of the opening of the nursing home.

Our operating businesses performed satisfactorily in 2018. Boardroom continued to show steady improvement. Its revenues were up by 5% for the year, while profits rose by 46% to S\$10.6 million. For more details, please refer to Boardroom's separately released earnings report.

Opal continued to grow its capacity and now operates over 6,500 residential aged-care beds in Australia. Changes in government funding were announced in 2016 and the impact of the changes will continue to be felt over the next two years. Management has done a commendable job in mitigating these changes while continuing a rapid development program to increase bed capacity. Opal's 2016 profit contribution included S\$16.7 million from a deferred tax writeback, without which it would have contributed S\$17.5 million to our net profits. In 2017, Opal contributed S\$18.5 million to our net profits.

In the second and fourth quarters, Habitat Assets Pte Ltd ("Habitat") raised additional capital from third parties to grow its Australian retirement village business. The Group's stake was thereby diluted from 55% to 36%, and the returns from Habitat were reclassified accordingly as share of profit of associate company from the second quarter. For the full year, Habitat's aggregate contribution to Group profits amounted to S\$2.6 million.

Strong equity markets globally helped to increase returns from our investment portfolio to S\$23.9 million. Of this, S\$9.2 million was derived from the sale of Croesus as noted in the Fourth Quarter report above.

Dividend

The Directors propose a cash dividend of 3 cents per share for 2017, along with a special dividend of 3 cents per share.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

The Group's major operating businesses are expected to continue to perform satisfactorily in 2018. Allium will report initial losses ahead of opening its first nursing home a year from now. Investment income, as always, cannot be predicted.

The profits made in 2017 from asset sales are one-off in nature, and in aggregate Group profits will likely be lower in 2018. It should be noted that under new accounting standards effective in 2018, the fair value gain on EUN will be transferred directly into revenue reserve in the balance sheet and will have no impact on accounting profits upon completion of the sale in January.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

| | Note | Group | | | Group | | |
|--|--------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| | | 3 months ended | | + / (-) % | Year ended | | + / (-) % |
| | | 31 Dec 2017 | 31 Dec 2016 | | 31 Dec 2017 | 31 Dec 2016 | |
| | | \$'000 | \$'000 | | \$'000 | \$'000 | |
| CONTINUING OPERATIONS | | | | | | | |
| Revenue | | | | | | | |
| Corporate services revenue | | 20,116 | 18,896 | 6 | 71,154 | 67,915 | 5 |
| Investment income | | 11,223 | 14,685 | (24) | 23,903 | 18,918 | 26 |
| Other income | | 806 | 2,175 | (63) | 3,404 | 6,466 | (47) |
| Total revenue | | 32,145 | 35,756 | (10) | 98,461 | 93,299 | 6 |
| Cost and expenses | | | | | | | |
| Employees' compensation and related costs | | (21,899) | (13,341) | 64 | (63,218) | (50,912) | 24 |
| Office and equipment rental costs | | (1,819) | (1,649) | 10 | (7,110) | (6,533) | 9 |
| Depreciation and amortisation | | (782) | (1,622) | (52) | (5,276) | (6,376) | (17) |
| Technology and information services costs | | (469) | (319) | 47 | (1,294) | (1,258) | 3 |
| Gain / (loss) on foreign currency exchange | | 207 | 267 | (22) | 1,986 | (876) | NM |
| Provision for doubtful debts | | (434) | (315) | 38 | (856) | (898) | (5) |
| Other operating expenses | | (2,549) | (3,772) | (32) | (9,450) | (12,874) | (27) |
| Total cost and expenses | | (27,745) | (20,751) | 34 | (85,218) | (79,727) | 7 |
| Profit from operating activities | | 4,400 | 15,005 | (71) | 13,243 | 13,572 | (2) |
| Finance costs | | (983) | (1,482) | (34) | (5,153) | (5,993) | (14) |
| Share of profit of associates | | 4,334 | 20,308 | (79) | 18,792 | 34,426 | (45) |
| Profit before tax from continuing operations | | 7,751 | 33,831 | (77) | 26,882 | 42,005 | (36) |
| Taxation | B C | 789 | (9,546) | NM | (831) | (10,367) | (92) |
| Profit from continuing operations, net of tax | | 8,540 | 24,285 | (65) | 26,051 | 31,638 | (18) |
| DISCONTINUED OPERATIONS | | | | | | | |
| Loss from discontinued operations, net of tax | | - | (480) | NM | (407) | (2,145) | (81) |
| Profit for the year | | 8,540 | 23,805 | (64) | 25,644 | 29,493 | (13) |
| Other comprehensive income / (loss) | | | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | | | |
| Net gain / (loss) on fair value changes of available-for-sale financial assets | | | | | | | |
| - fair value gain / (loss) | | 58,199 | (649) | NM | 72,911 | 7,633 | 855 |
| - transferred to profit or loss on disposal | | (1,490) | (12,930) | 0 | (2,987) | (13,157) | (77) |
| Share of other comprehensive income of associates | | 22 | 1,998 | (99) | 21 | 13 | 62 |
| Net gain / (loss) on hedge of net investment | | 872 | (299) | NM | (241) | (113) | 113 |
| Foreign currency translation | | (5,342) | 2,246 | NM | (2,097) | 3,706 | NM |
| Other comprehensive income / (loss) for the year, net of tax | | 52,261 | (9,634) | NM | 67,607 | (1,918) | NM |
| Total comprehensive income for the year | | 60,801 | 14,171 | 329 | 93,251 | 27,575 | 238 |
| Profit / (loss) attributable to: | | | | | | | |
| Ow ners of the Company | | | | | | | |
| - Profit from continuing operations | | 7,933 | 24,230 | (67) | 25,224 | 32,126 | (21) |
| - Loss from discontinued operations | | - | (480) | NM | (407) | (2,145) | (81) |
| Non-controlling interests | | 607 | 55 | 1,004 | 827 | (488) | NM |
| | | 8,540 | 23,805 | (64) | 25,644 | 29,493 | (13) |
| Total comprehensive income / (loss) attributable to: | | | | | | | |
| Ow ners of the Company | | | | | | | |
| - Total comprehensive income from continuing operations | | 60,338 | 14,304 | 322 | 92,628 | 29,625 | 213 |
| - Total comprehensive loss from discontinued operations | | - | (480) | NM | (407) | (2,145) | (81) |
| Non-controlling interests | | 463 | 347 | 33 | 1,030 | 95 | 984 |
| | | 60,801 | 14,171 | 329 | 93,251 | 27,575 | 238 |
| NM : Not meaningful | | | | | | | |
| Earnings per share (basic and diluted) | | | | | | | |
| - from continuing operations | E | 2.43 cents | 7.42 cents | | 7.72 cents | 9.83 cents | |
| - from discontinued operations | | - | (0.15) cents | | (0.12) cents | (0.65) cents | |
| - total | | 2.43 cents | 7.27 cents | | 7.60 cents | 9.18 cents | |

Financial Statements

BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

| | Note | Group | | Company | |
|---|------|-------------|-------------|-------------|-------------|
| | | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 31,420 | 17,712 | - | - |
| Intangible assets | | 96,933 | 110,419 | - | - |
| Investment properties | | 3,727 | 3,727 | - | - |
| Subsidiaries | | - | - | 70,203 | 72,802 |
| Associates | | 208,482 | 184,073 | - | - |
| Long-term investments | | 254,542 | 212,705 | 5,542 | 5,802 |
| Other long-term assets | | - | 15,983 | - | - |
| Deferred tax assets | | 7,582 | 5,770 | - | - |
| Current assets | | | | | |
| Amounts receivable from subsidiaries | | - | - | 254,483 | 301,240 |
| Assets of disposal group classified as held for sale | | - | 89,445 | - | - |
| Trade debtors | | 17,859 | 15,469 | - | - |
| Other debtors | | 6,767 | 15,705 | 436 | 403 |
| Short-term investments | | 44,066 | 35,097 | - | - |
| Cash and bank balances | | 29,413 | 36,032 | 572 | 1,263 |
| | | 98,105 | 191,748 | 255,491 | 302,906 |
| Current liabilities | | | | | |
| Liabilities of disposal group classified as held for sale | | - | 73,718 | - | - |
| Amounts due to associates | | - | 2 | - | - |
| Trade creditors | | 7,951 | 9,166 | - | - |
| Other creditors | | 27,632 | 14,991 | 522 | 684 |
| Bank borrowings | D | 82,787 | 90,108 | 6,249 | 52,478 |
| Provision for taxation | | 404 | 1,588 | 129 | 188 |
| | | 118,774 | 189,573 | 6,900 | 53,350 |
| Net current (liabilities) / assets | | (20,669) | 2,175 | 248,591 | 249,556 |
| Non-current liabilities | | | | | |
| Bank borrowings | D | 83,036 | 104,909 | - | - |
| Amounts due to associates | | - | 4,046 | - | - |
| Provision for employee benefits | | 254 | 352 | - | - |
| Deferred tax liabilities | | 15,883 | 24,569 | 1,050 | 1,361 |
| Net assets | | 482,844 | 418,688 | 323,286 | 326,799 |
| Equity attributable to Owners of the Company | | | | | |
| Share capital | | 191,987 | 191,987 | 191,987 | 191,987 |
| Revenue reserve | | 210,307 | 193,469 | 131,323 | 134,575 |
| Transactions with non-controlling interests | | (9,154) | (7,097) | - | - |
| Capital reserve | | 137 | 137 | 137 | 137 |
| Cash flow hedge reserve | | (774) | (795) | - | - |
| Fair value adjustment reserve | | 96,948 | 27,024 | (161) | 100 |
| Foreign currency translation reserve | | (18,767) | (16,226) | - | - |
| | | 470,684 | 388,499 | 323,286 | 326,799 |
| Non-controlling interests | | 12,160 | 30,189 | - | - |
| Total equity | | 482,844 | 418,688 | 323,286 | 326,799 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

| Group | Attributable to Owners of the Company | | | | | | | | | |
|---|---------------------------------------|----------------|-------------------|------------|--------------|---------------|-----------------|-----------------|---------------|----------------|
| | Share | Revenue | Transactions with | Capital | Cash Flow | Fair Value | Foreign | Equity | Non- | Total |
| | Capital | Reserve | Non-controlling | Reserve | Hedge | Adjustment | Currency | Attributable to | controlling | Equity |
| 2017 | \$'000 | \$'000 | Interests | \$'000 | Reserve | Reserve | Reserve | Company | Interests | \$'000 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2017 | 191,987 | 193,469 | (7,097) | 137 | (795) | 27,024 | (16,226) | 388,499 | 30,189 | 418,688 |
| Profit for the year | - | 24,817 | - | - | - | - | - | 24,817 | 827 | 25,644 |
| Other comprehensive income / (loss) | | | | | | | | | | |
| Net gain on fair value changes of available-for-sale financial assets | - | - | - | - | - | 69,924 | - | 69,924 | - | 69,924 |
| Share of other comprehensive income of associates | - | - | - | - | 21 | - | - | 21 | - | 21 |
| Net loss on hedge of net investment | - | - | - | - | - | - | (241) | (241) | - | (241) |
| Foreign currency translation | - | - | - | - | - | - | (2,300) | (2,300) | 203 | (2,097) |
| Other comprehensive income / (loss) for the year | - | - | - | - | 21 | 69,924 | (2,541) | 67,404 | 203 | 67,607 |
| Total comprehensive income / (loss) for the year | - | 24,817 | - | - | 21 | 69,924 | (2,541) | 92,221 | 1,030 | 93,251 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Group | Attributable to Owners of the Company | | | | | | | | | |
|--|---------------------------------------|-----------------|---------------------------|-----------------|-------------------------|-------------------------------|--------------------------------------|---------------------------------------|---------------------------|-----------------|
| | Share Capital | Revenue Reserve | Transactions with | Capital Reserve | Cash Flow Hedge Reserve | Fair Value Adjustment Reserve | Foreign Currency Translation Reserve | Equity | Non-controlling Interests | Total Equity |
| | | | Non-controlling Interests | | | | | Attributable to Owners of the Company | | |
| 2017 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Contributions by and distributions to Owners | | | | | | | | | | |
| Unclaimed dividend | - | 7 | - | - | - | - | - | 7 | - | 7 |
| Dividend on ordinary shares | - | (9,801) | - | - | - | - | - | (9,801) | - | (9,801) |
| Shares re-purchased | - | (215) | - | - | - | - | - | (215) | - | (215) |
| Total contributions by and distributions to Owners | - | (10,009) | - | - | - | - | - | (10,009) | - | (10,009) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (495) | (495) |
| Disposal of subsidiary | - | 2,030 | (2,030) | - | - | - | - | - | (18,488) | (18,488) |
| Acquisition of non-controlling interests without a change in control | - | - | (27) | - | - | - | - | (27) | (76) | (103) |
| Total changes in ownership interests in subsidiaries | - | 2,030 | (2,057) | - | - | - | - | (27) | (19,059) | (19,086) |
| Total transactions with Owners in their capacity as Owners | - | (7,979) | (2,057) | - | - | - | - | (10,036) | (19,059) | (29,095) |
| Balance at 31 December 2017 | 191,987 | 210,307 | (9,154) | 137 | (774) | 96,948 | (18,767) | 470,684 | 12,160 | 482,844 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Group | Attributable to Owners of the Company | | | | | | | | | |
|---|---------------------------------------|----------------|-------------------|-------------|--------------|----------------|-----------------|-----------------|---------------|----------------|
| | Share | Revenue | Transactions with | Capital | Cash Flow | Fair Value | Foreign | Equity | Non- | Total |
| | Capital | Reserve | Non-controlling | Reserve | Hedge | Adjustment | Currency | Attributable to | controlling | Equity |
| 2016 | \$'000 | \$'000 | Interests | \$'000 | Reserve | Reserve | Reserve | Owners of the | Interests | \$'000 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2016 | 191,987 | 176,552 | (6,911) | 207 | (808) | 32,548 | (19,306) | 374,269 | 24,532 | 398,801 |
| Profit / (loss) for the year | - | 29,981 | - | - | - | - | - | 29,981 | (488) | 29,493 |
| Other comprehensive income / (loss) | | | | | | | | | | |
| Net loss on fair value changes of available-for-sale financial assets | - | - | - | - | - | (5,524) | - | (5,524) | - | (5,524) |
| Share of other comprehensive income of associates | - | - | - | - | 13 | - | - | 13 | - | 13 |
| Net loss on hedge of net investment | - | - | - | - | - | - | (113) | (113) | - | (113) |
| Foreign currency translation | - | - | - | (70) | - | - | 3,193 | 3,123 | 583 | 3,706 |
| Other comprehensive income / (loss) for the year | - | - | - | (70) | 13 | (5,524) | 3,080 | (2,501) | 583 | (1,918) |
| Total comprehensive income / (loss) for the year | - | 29,981 | - | (70) | 13 | (5,524) | 3,080 | 27,480 | 95 | 27,575 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Group | Attributable to Owners of the Company | | | | | | | | | |
|--|---------------------------------------|-----------------|-------------------|------------|--------------|---------------|-----------------|-----------------|---------------|-----------------|
| | Share | Revenue | Transactions with | Capital | Cash Flow | Fair Value | Foreign | Equity | Non- | Total |
| | Capital | Reserve | Non-controlling | Reserve | Hedge | Adjustment | Currency | Attributable to | controlling | Equity |
| 2016 | \$'000 | \$'000 | Interests | \$'000 | Reserve | Reserve | Reserve | Owners of the | Interests | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Contributions by and distributions to Owners | | | | | | | | | | |
| Unclaimed dividend | - | 3 | - | - | - | - | - | 3 | - | 3 |
| Dividend on ordinary shares | - | (13,067) | - | - | - | - | - | (13,067) | - | (13,067) |
| Total contributions by and distributions to Owners | - | (13,064) | - | - | - | - | - | (13,064) | - | (13,064) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | |
| Issuance of shares to non-controlling interests | - | - | 681 | - | - | - | - | 681 | 7,919 | 8,600 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (518) | (518) |
| Equity contribution | - | - | - | - | - | - | - | - | 426 | 426 |
| Acquisition of non-controlling interests without a change in control | - | - | (867) | - | - | - | - | (867) | (2,265) | (3,132) |
| Total changes in ownership interests in subsidiaries | - | - | (186) | - | - | - | - | (186) | 5,562 | 5,376 |
| Total transactions with Owners in their capacity as Owners | - | (13,064) | (186) | - | - | - | - | (13,250) | 5,562 | (7,688) |
| Balance at 31 December 2016 | 191,987 | 193,469 | (7,097) | 137 | (795) | 27,024 | (16,226) | 388,499 | 30,189 | 418,688 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

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

| Company 2016 | Share Capital \$'000 | Revenue Reserve \$'000 | Capital Reserve \$'000 | Fair Value Adjustment Reserve \$'000 | Total Equity \$'000 |
|--|----------------------------|------------------------------|------------------------------|---|---------------------------|
| Balance at 1 January 2016 | 191,987 | 136,081 | 137 | - | 328,205 |
| Profit for the year | - | 11,558 | - | - | 11,558 |
| Other comprehensive income | | | | | |
| Net gain on fair value changes of available-for-sale financial assets | - | - | - | 100 | 100 |
| Total comprehensive income for the year | - | 11,558 | - | 100 | 11,658 |
| Contributions by and distributions to Owners | | | | | |
| Unclaimed dividend | - | 3 | - | - | 3 |
| Dividend on ordinary shares | - | (13,067) | - | - | (13,067) |
| Total transactions with Owners in their capacity as Owners | - | (13,064) | - | - | (13,064) |
| Balance at 31 December 2016 | 191,987 | 134,575 | 137 | 100 | 326,799 |

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

| | Group | |
|---|--------------------|--------------------|
| | Year ended | |
| | 31 Dec 2017 | 31 Dec 2016 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Profit before tax from continuing operations | 26,882 | 42,005 |
| Loss before tax from discontinued operations | (407) | (2,145) |
| | <hr/> | <hr/> |
| Profit before tax, total | 26,475 | 39,860 |
| Adjustments for :- | | |
| Depreciation and amortisation | 5,283 | 6,463 |
| Loss on disposal of property, plant and equipment | - | 124 |
| Gain on disposal of subsidiary | (2,817) | - |
| Finance costs | 5,153 | 5,993 |
| Interest income | (340) | (691) |
| Dividend income | (3,757) | (2,833) |
| Gain on sale of long-term investments | (13,199) | (8,270) |
| Provision for doubtful debts | 856 | 898 |
| Fair value adjustment | (875) | (6,812) |
| Share of profit of associates | (18,792) | (34,426) |
| | <hr/> | <hr/> |
| Operating (loss) / profit before reinvestment in working capital | (2,013) | 306 |
| Increase in debtors | (3,430) | (7,100) |
| Increase in short-term investments | (4,946) | (16,802) |
| Increase / (decrease) in creditors | 12,542 | (9,754) |
| | <hr/> | <hr/> |
| Cash flows from / (used in) operations | 2,153 | (33,350) |
| Interest paid | (5,093) | (5,845) |
| Interest received | 330 | 676 |
| Income tax paid | (1,924) | (1,899) |
| | <hr/> | <hr/> |
| Net cash flows used in operating activities | (4,534) | (40,418) |

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT (Continued)

| | Group Year ended | |
|--|-----------------------|-----------------------|
| | 31 Dec 2017 \$'000 | 31 Dec 2016 \$'000 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (30,311) | (1,496) |
| Proceeds from disposal of property, plant and equipment | - | 17 |
| Purchase of intangible assets | (1,826) | (1,913) |
| Purchase of long-term investments | (23,277) | (59,665) |
| Proceeds from sale of long-term investments | 49,535 | 55,921 |
| Acquisition of subsidiary, net of cash acquired | (1,921) | - |
| Disposal of subsidiaries, net of cash | (63,948) | - |
| Net dividend received from associates | 18,715 | 16,139 |
| Dividend income received | 3,429 | 2,467 |
| Net cash flows (used in) / from investing activities | <u>(49,604)</u> | <u>11,470</u> |
| Cash flows from financing activities | | |
| Unclaimed dividend | 7 | 3 |
| Dividend paid | (9,801) | (13,067) |
| Shares re-purchased | (215) | - |
| Proceeds from issuance of shares to non-controlling interests | - | 8,600 |
| Dividend paid to non-controlling interests | (495) | (518) |
| Acquisition of non-controlling interests | (103) | (3,132) |
| (Repayment of) / proceeds from bank borrowings | (18,495) | 39,060 |
| Net cash flows (used in) / from financing activities | <u>(29,102)</u> | <u>30,946</u> |
| Net (decrease) / increase in cash and cash equivalents | (83,240) | 1,998 |
| Effect of exchange rate changes in opening cash and cash equivalents | (801) | 81 |
| Cash and cash equivalents at beginning of year | 113,454 | 111,375 |
| Cash and cash equivalents at end of year | <u><u>29,413</u></u> | <u><u>113,454</u></u> |

Notes

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the year:

| | Group Year ended | |
|---------------------------|-----------------------|-----------------------|
| | 31 Dec 2016 \$'000 | 31 Dec 2016 \$'000 |
| Cash and bank balances: - | | |
| Continuing operations | 29,413 | 36,032 |
| Discontinued operations | - | 77,422 |
| Cash and cash equivalents | <u><u>29,413</u></u> | <u><u>113,454</u></u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the year ended 31 December 2017, 202,200 (2016: Nil) shares were purchased by the Company and no (2016: Nil) shares were issued. The total number of issued shares as at 31 December 2017 was 326,484,337 (2016: 326,686,537). There were no treasury shares or subsidiary holdings as at 31 December 2017 and 2016.

B. REVENUE AND EXPENSES

Profit before tax includes the following:

| | Group | |
|--|-------------|-------------|
| | Year ended | |
| | 31 Dec 2017 | 31 Dec 2016 |
| | \$'000 | \$'000 |
| Corporate services revenue | 71,154 | 67,915 |
| Investment income – | | |
| Fair value adjustment for short-term investments | 4,023 | (1,005) |
| Fair value adjustment for long-term investments | (3,148) | 7,817 |
| Gain on sale of short-term investments | 2,915 | 312 |
| Gain on sale of long-term investments | 13,199 | 8,270 |
| Dividend income | 3,757 | 2,833 |
| Interest income: | | |
| - Bank deposits | 318 | 594 |
| - Others | 22 | 97 |
| Gain on disposal of subsidiary | 2,817 | - |
| Other income – | | |
| Deferred management fee income | 1,263 | 4,529 |
| Rental income | 854 | 380 |
| Finance costs – | | |
| Interest expense - | | |
| Bank loans and overdrafts | (5,100) | (5,969) |
| Others | (53) | (24) |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

| | Group Year ended | |
|---|-----------------------|-----------------------|
| | 31 Dec 2017 \$'000 | 31 Dec 2016 \$'000 |
| Current income tax | | |
| Current year | (3,503) | (3,682) |
| Overprovision in respect of prior years | 490 | 71 |
| Deferred tax | 2,182 | (6,756) |
| | <u>(831)</u> | <u>(10,367)</u> |

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

| | Secured | | Unsecured | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec 2017 \$'000 | 31 Dec 2016 \$'000 | 31 Dec 2017 \$'000 | 31 Dec 2016 \$'000 |
| Amount due within one year | 37,208 | 12,106 | 45,579 | 78,002 |
| Amount due after one year | 76,036 | 96,409 | 7,000 | 8,500 |
| | <u>113,244</u> | <u>108,515</u> | <u>52,579</u> | <u>86,502</u> |

Secured borrowings are secured by charges on bank accounts, shares of investee companies, land and buildings owned by the borrowing subsidiaries.

E. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to Owners of \$24,817,000 (2016: \$29,981,000) by the weighted average number of ordinary shares in issue during the period of 326,660,220 (2016: 326,686,537).

There were no outstanding share options as at 31 December 2017 and 2016.

F. NET ASSET VALUE PER SHARE

| | Group | | Company | |
|---|-------------------|-------------------|------------------|-------------------|
| | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 |
| Net asset value per share based on existing issued share capital as at the end of the respective period | 144.17 cts | 118.92 cts | 99.02 cts | 100.03 cts |
| | <u>144.17 cts</u> | <u>118.92 cts</u> | <u>99.02 cts</u> | <u>100.03 cts</u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS

| 2017 | Investment Holding \$'000 | Corporate Services \$'000 | Financial Services (Discontinued operation) \$'000 | Adjustments and Eliminations \$'000 | Consolidated \$'000 |
|----------------------------------|---------------------------------|---------------------------------|--|--|------------------------|
| Revenue | | | | | |
| External revenue | 26,177 | 72,284 | 313 | (313) | 98,461 |
| Inter-segment revenue | 8 | 120 | 3 | (131) | - |
| Total revenue | <u>26,185</u> | <u>72,404</u> | <u>316</u> | <u>(444)</u> | <u>98,461</u> |
| Results | | | | | |
| Interest income | 102 | 246 | 11 | (19) | 340 |
| Finance costs | 3,769 | 1,384 | 10 | (10) | 5,153 |
| Depreciation and amortisation | 635 | 4,641 | 7 | (7) | 5,276 |
| Fair value adjustments | 875 | - | - | - | 875 |
| Share of profit of associates | 18,792 | - | - | - | 18,792 |
| Segment profit / (loss) | <u>17,344</u> | <u>9,357</u> | <u>(226)</u> | <u>407</u> | <u>26,882</u> |
| Assets | | | | | |
| Investment in associates | 208,482 | - | - | - | 208,482 |
| Additions to non-current assets | 28,582 | 3,555 | - | - | 32,137 |
| Segment assets | <u>552,033</u> | <u>141,200</u> | <u>-</u> | <u>(24)</u> | <u>693,209</u> |
| Unallocated assets | | | | | <u>7,582</u> |
| Total assets | | | | | <u>700,791</u> |
| Liabilities | | | | | |
| Segment liabilities | <u>130,344</u> | <u>71,340</u> | <u>-</u> | <u>(24)</u> | <u>201,660</u> |
| Unallocated liabilities | | | | | <u>16,287</u> |
| Total liabilities | | | | | <u>217,947</u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS (CONTINUED)

| 2016 | Investment Holding \$'000 | Corporate Services \$'000 | Financial Services (Discontinued operation) \$'000 | Adjustments and Eliminations \$'000 | Consolidated \$'000 |
|----------------------------------|---------------------------------|---------------------------------|--|--|------------------------|
| Revenue | | | | | |
| External revenue | 24,582 | 68,717 | 5,312 | (5,312) | 93,299 |
| Inter-segment revenue | 94 | 108 | 36 | (238) | - |
| Total revenue | <u>24,676</u> | <u>68,825</u> | <u>5,348</u> | <u>(5,550)</u> | <u>93,299</u> |
| Results | | | | | |
| Interest income | 536 | 249 | 130 | (224) | 691 |
| Finance costs | 4,388 | 1,605 | 119 | (119) | 5,993 |
| Depreciation and amortisation | 1,898 | 4,478 | 87 | (87) | 6,376 |
| Fair value adjustments | 6,812 | - | - | - | 6,812 |
| Share of profit of associates | 34,426 | - | - | - | 34,426 |
| Segment profit / (loss) | <u>36,238</u> | <u>5,833</u> | <u>(2,211)</u> | <u>2,145</u> | <u>42,005</u> |
| Assets | | | | | |
| Investment in associates | 184,073 | - | - | - | 184,073 |
| Additions to non-current assets | 287 | 2,988 | 134 | - | 3,409 |
| Segment assets | <u>514,408</u> | <u>136,166</u> | <u>89,445</u> | <u>(3,652)</u> | <u>736,367</u> |
| Unallocated assets | | | | | <u>5,770</u> |
| Total assets | | | | | <u><u>742,137</u></u> |
| Liabilities | | | | | |
| Segment liabilities | <u>149,706</u> | <u>73,880</u> | <u>77,358</u> | <u>(3,652)</u> | <u>297,292</u> |
| Unallocated liabilities | | | | | <u>26,157</u> |
| Total liabilities | | | | | <u><u>323,449</u></u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. SEGMENTAL RESULTS (CONTINUED)

| | Revenue from External Customers | | Non-current Assets | |
|-----------|---------------------------------|----------------|--------------------|----------------|
| | 2017 \$'000 | 2016 \$'000 | 2017 \$'000 | 2016 \$'000 |
| Singapore | 52,765 | 45,349 | 66,970 | 38,883 |
| Australia | 28,438 | 30,901 | 51,546 | 78,938 |
| Malaysia | 7,095 | 7,038 | 9,557 | 9,583 |
| Hong Kong | 8,524 | 8,263 | 3,962 | 4,413 |
| China | 1,639 | 1,748 | 45 | 41 |
| Total | 98,461 | 93,299 | 132,080 | 131,858 |

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

H. BREAKDOWN OF SALES

| | Group | | |
|---|-----------------------|-----------------------|--------------|
| | Year ended | | + / (-) % |
| | 31 Dec 2017 \$'000 | 31 Dec 2016 \$'000 | |
| <u>First Half</u> | | | |
| Sales reported for first half year | 45,994 | 36,730 | 25 |
| Operating profit after tax before deducting minority interests reported for first half year | 12,249 | 3,492 | 251 |
| <u>Second Half</u> | | | |
| Sales reported for second half year | 52,467 | 56,569 | (7) |
| Operating profit after tax before deducting minority interests reported for second half year | 13,802 | 28,146 | (51) |

I. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). Other than the adoption of the new and revised FRS which took effect from the current financial year, the accounting policies have been consistently applied by the Company and by the Group and are consistent with those used in the previous financial year. The adoption of the new and revised FRS has no impact on the financial position and financial performance of the Company.

Financial Statements

DIVIDENDS

| | Group and Company Year ended | |
|---|---------------------------------|-----------------------|
| | 31 Dec 2017 \$'000 | 31 Dec 2016 \$'000 |
| Final dividends paid, 3.0 cents per ordinary share, one-tier tax exempt (2016: 4.0 cents per ordinary share) | 9,801 | 13,067 |

The Directors recommend a final dividend of 3 cents per ordinary share (one-tier tax exempt), and a special dividend of 3 cents per ordinary share (one-tier tax exempt), be paid in respect of the current financial year. The proposed final and special dividends will amount to approximately \$19,582,000.

AUDIT

These Financial Statements have not been audited or reviewed by the Auditor.

INTERESTED PERSON TRANSACTIONS

The Company does not have an Interested Person Transactions mandate.

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

| Name | Age | Family relationship with any director, CEO, or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|-----|--|---|---|
| Goh Geok Khim | 85 | Father of Goh Yew Lin | Executive Chairman since 1990 | No change |
| Goh Yew Lin | 58 | Son of Goh Geok Khim | (1) Executive Director - Oversee the group's investments since 1990 (2) Managing Director - Overall management of the group since 2008 | No change |

CONFIRMATION PURSUANT TO RULE 720(1)

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

BY ORDER OF THE BOARD

Thomas Teo Liang Huat
Chief Financial Officer

26 February 2018
Singapore