



G. K. GOH HOLDINGS LIMITED
Financial Statements
And Related Announcement
For First Quarter Ended 31 March 2014

(Co. Reg. No. 199000184D)

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REVIEW OF PERFORMANCE OF THE GROUP

The Group's asset mix has changed significantly in the past nine months. The current quarter includes consolidated earnings for March from Boardroom Ltd, which became an 80% subsidiary at the end of March after our general offer became unconditional. Boardroom's results for January and February were equity-accounted as in 2013, when it was a 44%-owned associate company.

The March 2014 results also include contributions from our Australian aged care services provider, Domain Principal Group ("DPG"), which became an associate in October 2013.

For the 3 months to March 2014, Group net profits amounted to S\$2.1 million (1Q2013: S\$6.2 million). Total comprehensive income amounted to S\$9.7 million (1Q2013: S\$10.3 million); this includes foreign currency translation gains, net of hedging losses, the share of other comprehensive income of our associates, and fair value changes in available-for-sale financial assets.

Last year's first quarter profit was boosted by S\$8.4 million of gains resulting from strong stock markets in the region. The latest quarter was much more subdued, with the MSCI Asia-Pacific Index falling by 2.4%. Our investment income amounted to S\$1.8 million. In addition, the Group's short-term investment portfolio has been reduced from S\$81.6 million in 1Q2013 to S\$45.7 million at the end of March, with capital reallocated towards the acquisition of the DPG and Boardroom businesses.

DPG made a net contribution of S\$5.2 million to first quarter net income. Operating results are tracking above our expectations, but this contribution also included some once-off items which we do not expect to recur. DPG continues to benefit from the introduction of the dementia supplement in this quarter. Average occupancy remains high in excess of 93%. DPG opened its 56th facility at Quakers Hill, Sydney in February 2014, bringing the total number of beds to over 4,800. This new 127 bed facility has 79 single rooms and 24 companion rooms, with a dedicated wing for 16 residents living with dementia.

Boardroom recorded revenue of S\$14.1 million for the quarter ended 31 March 2014, which was 3% higher as compared to the corresponding quarter in 2013. Boardroom's revenue comes from three major business segments: Share Registry Services, Corporate Secretarial Services and Business Solutions. Share Registry Services which formed approximately 46% of Boardroom's quarterly revenue, recorded an 11% growth in its business, largely from Australia. Corporate Secretarial Services and Business Solutions businesses, which contributed 29% and 25% respectively in revenue, declined by 3% quarter on quarter. For the month of March 2014, Boardroom made a maiden contribution of S\$5.2 million in revenues and S\$0.7 million in net profits as a new subsidiary to the Group. For further information on Boardroom's results, please refer to their website at www.boardroomlimited.com.

G. K. Goh Financial Services (S) Pte Ltd ("GKGFS") suffered a further loss of S\$0.7 million during the quarter. The leveraged foreign exchange market remained weak amidst intense competition, and this situation is not expected to improve significantly in the near term. Its management has taken steps to reduce fees paid to system vendors, improve efficiencies and to generate an additional revenue stream in the brokering of precious metals.

The substantial increase in various expense lines, in particular employee compensation and office costs, reflects the consolidation of Boardroom's costs.

Finance costs have also risen significantly to S\$1.3 million, from S\$0.1 million a year ago, as the Group has taken on debt for the acquisitions made in the past year. Total borrowings now stand at S\$166.1 million (including S\$16.0 million of bank borrowings in Boardroom), putting net gearing at approximately 26%. Given the cash-flows of both Boardroom and DPG, the Board believes this level of gearing is appropriate.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Balance Sheet

The consolidation of Boardroom has substantially altered the Group's balance sheet, and direct comparisons with year-ago figures may not be meaningful.

Group net assets have grown to S\$396.0 million, and net asset value per share stands at S\$1.212.

The Group has approximately S\$80.0 million of long-term borrowings. Most of this long-term debt is in Australian dollars to provide a natural hedge for approximately half of the acquisition cost of our stake in DPG. In accordance with the terms of our investment agreement, a further A\$25.0 million may be invested into DPG in the current year to fund business expansion.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

It was announced in the Australian Budget on 13 May 2014 that the federal government would cease paying to commercial aged care operators an existing Payroll Tax Supplement from 1 January 2015. As charities are exempted from state payroll taxes, this Supplement was previously granted to level the playing field between commercial operators and charities.

At the same time, the government is redirecting A\$1.5 billion from the Aged Care Workforce Supplement into the general pool for aged care funding paid to operators. This will partially offset the withdrawal of the Payroll Tax Supplement.

DPG (48%-owned by the Group) received A\$10.9 million of Payroll Tax Supplement in the nine months up to March 2014. The loss of this Supplement will however be offset by the shift in the Aged Care Workforce Supplement, with further offsets available from other aged care reforms.

At this early stage, it is unclear whether the offsets will be sufficient to fully cover the loss of the Payroll Tax Supplement in 2015. We would caution that until the relevant legislation is passed, and the details of other aged care reforms are quantified, the overall impact of all the Budget changes is unclear. However, this policy proposal will similarly affect all commercial operators and based on available information, the Directors are of the opinion that the financial returns from DPG will remain satisfactory.

Both DPG and Boardroom are expected to contribute to Group earnings, and the financial performance at GKGFS is likely to improve, though its second quarter is expected to remain loss-making. Returns from financial investments are difficult to predict in the near term.

Overall, the Group is expected to remain profitable in the current financial year.

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STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)
(These figures have not been audited)

	Note	Group		+ / (-) %
		3 months ended		
		31 Mar 2014	31 Mar 2013	
		\$'000	\$'000	
Continuing operations				
Revenue				
Corporate services revenue		5,245	-	NM
Financial services revenue		2,413	5,377	(55)
Investment income		1,797	8,406	(79)
Other income		212	243	(13)
Total revenue		<u>9,667</u>	<u>14,026</u>	(31)
Cost and expenses				
Commission and broking expenses		(1,201)	(3,424)	(65)
Employees' compensation and related costs		(5,045)	(2,769)	82
Office and equipment rental costs		(689)	(275)	151
Depreciation and amortization		(547)	(239)	129
Technology and information service costs		(581)	(480)	21
(Loss)/gain on foreign currency exchange		(473)	298	NM
Provision for doubtful debts		(237)	(144)	65
Other operating expenses		(1,293)	(641)	102
Total cost and expenses		<u>(10,066)</u>	<u>(7,674)</u>	31
Profit from operating activities		(399)	6,352	NM
Finance costs		(1,346)	(119)	1,031
Share of profit of associates		4,266	534	699
Profit before taxation	B	2,521	6,767	(63)
Taxation	C	(385)	(548)	(30)
Profit for the period		2,136	6,219	(66)

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME (Continued)

	Note	Group		+ / (-) %
		3 months ended 31 Mar 2014 \$'000	31 Mar 2013 \$'000	
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net gain on fair value changes of available-for-sale financial assets		636	3,791	(83)
Share of other comprehensive income of associates		3,127	365	757
Net loss on hedge on net investment		(2,760)	-	NM
Foreign currency translation		6,594	(115)	NM
Other comprehensive income for the period, net of tax		<u>7,597</u>	<u>4,041</u>	88
Total comprehensive income for the period		<u>9,733</u>	<u>10,260</u>	(5)
Profit attributable to:				
Owners of the Company		2,005	6,219	(68)
Non-controlling interests		131	-	NM
		<u>2,136</u>	<u>6,219</u>	(66)
Total comprehensive income attributable to:				
Owners of the Company		9,386	10,260	(9)
Non-controlling interests		347	-	NM
		<u>9,733</u>	<u>10,260</u>	(5)

NM : Not meaningful

Basic and diluted earnings per share

- continuing operations

F

0.63 cents 1.97 cents

Financial Statements

BALANCE SHEETS

(Amounts in Singapore dollars)
(These figures have not been audited)

	Note	Group		Company	
		31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		4,006	1,724	-	-
Investment properties		3,727	3,727	-	-
Intangible assets	D	107,656	-	-	-
Subsidiaries		-	-	43,784	43,784
Associates		182,815	208,081	5,688	5,688
Long-term investments		171,988	171,629	-	-
Deferred tax asset		655	-	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	314,486	263,601
Trade debtors		26,835	7,954	-	-
Other debtors		8,007	5,444	79	10
Short-term investments		45,727	56,962	-	-
Cash and bank balances		119,375	83,292	934	833
		<u>199,944</u>	<u>153,652</u>	<u>315,499</u>	<u>264,444</u>
Current liabilities					
Amounts due to associates		-	476	-	-
Trade creditors		90,759	58,846	-	-
Other creditors		7,275	7,005	469	423
Bank borrowings	E	86,125	20,143	55,591	6,204
Provision for taxation		1,929	693	600	532
		<u>186,088</u>	<u>87,163</u>	<u>56,660</u>	<u>7,159</u>
Net current assets		13,856	66,489	258,839	257,285
Non-current liabilities					
Bank borrowings	E	79,985	76,708	-	-
Provision for non-current employee benefits		464	-	-	-
Deferred tax liability		8,205	1,120	800	767
Net assets		<u>396,049</u>	<u>373,822</u>	<u>307,511</u>	<u>305,990</u>
Equity					
Share capital		183,112	183,112	183,112	183,112
Capital reserve		115	137	137	137
Revenue reserve		182,806	180,803	124,262	122,741
Fair value adjustment reserve		22,109	20,960	-	-
Foreign currency translation reserve		(4,934)	(11,190)	-	-
		<u>383,208</u>	<u>373,822</u>	<u>307,511</u>	<u>305,990</u>
Non-controlling interests		12,841	-	-	-
Total equity		<u>396,049</u>	<u>373,822</u>	<u>307,511</u>	<u>305,990</u>

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STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Group	Attributable to Owners of the Company							Total Equity \$'000
	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Equity Attributable to Owners of the Company \$'000	Non-controlling Interests \$'000	
2014								
Opening balance at 1 January 2014	183,112	180,803	137	20,960	(11,190)	373,822	-	373,822
Profit for the period	-	2,005	-	-	-	2,005	131	2,136
Other comprehensive income								
Net gain on fair value changes of available-for-sale financial assets	-	-	-	636	-	636	-	636
Share of other comprehensive income of associates	-	(2)	-	513	2,616	3,127	-	3,127
Net loss on hedge on net investment	-	-	-	-	(2,760)	(2,760)	-	(2,760)
Foreign currency translation	-	-	(22)	-	6,400	6,378	216	6,594
Other comprehensive income for the period	-	(2)	(22)	1,149	6,256	7,381	216	7,597
Total comprehensive income for the period	-	2,003	(22)	1,149	6,256	9,386	347	9,733

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Attributable to Owners of the Company							Total Equity
	Share Capital	Revenue Reserve	Capital Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Equity Attributable to Owners of the Company	Non-controlling Interests	
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Changes in ownership interests in subsidiaries that do not result in loss of control								
Acquisition of subsidiary	-	-	-	-	-	-	12,494	12,494
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	12,494	12,494
Total transactions with Owners in their capacity as Owners	-	-	-	-	-	-	12,494	12,494
Closing balance at 31 March 2014	183,112	182,806	115	22,109	(4,934)	383,208	12,841	396,049

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group 2013	Attributable to Owners of the Company					
	Share Capital	Revenue Reserve	Capital Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January 2013	183,112	172,378	137	12,728	(5,410)	362,945
Profit for the period	-	6,219	-	-	-	6,219
Other comprehensive income						
Net gain on fair value changes of available-for-sale financial assets	-	-	-	3,791	-	3,791
Share of other comprehensive income of associates	-	(7)	-	(58)	430	365
Foreign currency translation	-	-	-	-	(115)	(115)
Other comprehensive income for the period	-	(7)	-	3,733	315	4,041
Total comprehensive income for the period	-	6,212	-	3,733	315	10,260
Closing balance at 31 March 2013	183,112	178,590	137	16,461	(5,095)	373,205

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2014	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 January 2014	183,112	122,741	137	305,990
Profit for the period	-	1,521	-	1,521
Total comprehensive income for the period	-	1,521	-	1,521
Closing balance at 31 March 2014	183,112	124,262	137	307,511

Company 2013	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 January 2013	183,112	114,774	137	298,023
Profit for the period	-	2,410	-	2,410
Total comprehensive income for the period	-	2,410	-	2,410
Closing balance at 31 March 2013	183,112	117,184	137	300,433

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CONSOLIDATED STATEMENT OF CASH FLOW

(Amounts in Singapore dollars)
(These figures have not been audited)

	Group	
	3 months ended	
	31 Mar 2014	31 Mar 2013
	\$'000	\$'000
Cash flow from operating activities:		
Profit before taxation	2,521	6,767
Adjustments for :-		
Depreciation and amortization	547	239
Gain on disposal of property, plant and equipment	-	(157)
Loss on disposal of associates	14	-
Finance costs	1,346	119
Interest income	(167)	(439)
Dividend income	(1,019)	(356)
Loss on sale of long-term investments	14	55
Provision of allowance for doubtful debts	237	144
Fair value adjustment	(460)	(3,018)
Share of profit of associates	(4,266)	(534)
	<hr/>	<hr/>
Operating (loss) / profit before reinvestment in working capital	(1,233)	2,820
(Increase) / decrease in debtors	(2,350)	1,090
Decrease in short-term investments	11,695	10,507
Increase / (decrease) in creditors	14,715	(23,003)
	<hr/>	<hr/>
Cash flow from / (used in) operations	22,827	(8,586)
Interest paid	(752)	(58)
Interest received	154	425
Income tax (paid) / refund	(90)	362
	<hr/>	<hr/>
Net cash from / (used in) operating activities	22,139	(7,857)

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CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

	Group	
	3 months ended	
	31 Mar 2014	31 Mar 2013
	\$'000	\$'000
Cash flow from investing activities:		
Purchase of property, plant and equipment	(103)	(592)
Proceeds from disposal of property, plant and equipment	-	157
Purchase of intangible assets	(163)	-
Purchase of long-term investments	(1,371)	(13,093)
Proceeds from sale of long-term investments	1,841	2,281
Acquisition of subsidiary, net of cash acquired	(75,313)	-
Investment in associates	(11,173)	(2,081)
Proceeds from disposal of associates	46,617	
Net dividend received from associates	2,230	605
Dividend income	991	337
Net cash used in investing activities	<u>(36,444)</u>	<u>(12,386)</u>
Cash flow from financing activities:		
Proceeds from bank borrowings	53,009	5,881
Net cash from financing activities	<u>53,009</u>	<u>5,881</u>
Net increase / (decrease) in cash and cash equivalents	38,704	(14,362)
Effect of exchange rate changes in opening cash and cash equivalents	(2,621)	(21)
Cash and cash equivalents at beginning of period	83,292	220,206
Cash and cash equivalents at end of period	<u>119,375</u>	<u>205,823</u>

Cash and bank balances of the Group include fixed deposits of \$10,319,000 (2013: \$25,402,000) and other cash and bank balances of \$50,311,000 (2013: \$81,300,000) of a subsidiary company which are segregated under SGX-DT Rules and represent funds deposited by customers and accruing to customers as a result of trades or contracts in SGX-DT.

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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014

(Amounts in Singapore dollars)
(These figures have not been audited)

A. SHARE CAPITAL

In the first quarter ended 31 March 2014, no (2013: Nil) shares were purchased by the Company and no (2013: Nil) shares were issued in the same period. The total number of issued shares as at 31 March 2014 was 316,070,805 (2013: 316,070,805). The Company did not hold any treasury shares as at 31 March 2014 and 2013.

B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group 3 months ended	
	31 Mar 2014	31 Mar 2013
	\$'000	\$'000
Corporate services revenue	5,245	-
Financial services revenue –		
Commission	85	135
Forex broking revenue	2,328	5,242
Investment income –		
Fair value adjustment for short-term investments	460	3,009
Fair value adjustment for long-term investments	-	9
(Loss) / gain on sale of short-term investments	(59)	4,648
Loss on sale of long-term investments	(14)	(55)
Dividend income	1,019	356
Interest income :		
- Fixed deposits	23	59
- Others	144	380
Loss on disposal of associates	(14)	-
Other investment income	238	-
Other income –		
Service income	16	12
Rental income	56	62
Gain on disposal of property, plant and equipment	-	157
Finance cost –		
Interest expense -		
Bank loans and overdrafts	(1,344)	(112)
Others	(2)	(7)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group	
	3 months ended	
	31 Mar 2014	31 Mar 2013
	\$'000	\$'000
Current taxation		
Current year	(307)	(125)
(Under) / overprovision in respect of prior years	(6)	159
Deferred tax	(72)	(582)
	<u>(385)</u>	<u>(548)</u>

D. INTANGIBLE ASSETS

The Group recognized \$107.7 million of intangible assets on a provisional basis resulting from the acquisition of Boardroom. The purchase price allocation exercise for this acquisition will be finalized within 12 months from the date of acquisition. Adjustments, if any, to the provisionally determined intangibles and the related amortization costs will be accounted for retrospectively to the date of acquisition.

E. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
Amount due within one year	3,492	2,256	82,633	17,887
Amount due after one year	77,985	76,708	2,000	-
	<u>81,477</u>	<u>78,964</u>	<u>84,633</u>	<u>17,887</u>

F. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to Owners of \$2,005,000 (2013: \$6,219,000) by the weighted average number of ordinary shares in issue during the period of 316,070,805 (2013: 316,070,805).

There were no outstanding share options as at 31 March 2014 and 2013.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. NET ASSET VALUE PER SHARE

	Group		Company	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Net asset value per share based on existing issued share capital as at the end of the respective period	121.24 cts	118.27 cts	97.29 cts	96.81 cts

H. 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.

DIVIDENDS

No dividend was declared or recommended during the period ended 31 March 2014 (2013: Nil).

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.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

The Board of Directors hereby confirm 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 unaudited Financial Statements of the Company and of the Group for the first quarter ended 31 March 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Thomas Teo Liang Huat
Company Secretary

15 May 2014
Singapore