



G. K. GOH HOLDINGS LIMITED
Financial Statements
And Related Announcement
For First Quarter Ended 31 March 2012

(Co. Reg. No. 199000184D)

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REVIEW OF PERFORMANCE OF THE GROUP

For the first quarter, Group net profits totalled S\$12.7 million, compared to S\$2.3 million in the same period in 2011. The increase in profits was substantially helped by two factors: investment income totalling S\$7.5 million, and S\$7.4 million profit contribution by our associate, Value Monetization Limited, resulting from the sale of a workers' dormitory in Tuas. The gain in investment income was largely the consequence of mark to market gains in our equity and bond portfolios.

Our forex and futures broking unit, G. K. Goh Financial Services (S) Pte Ltd, saw a slight dip in revenues. Profits were marginal at S\$0.1 million compared to S\$0.4 million in the equivalent period last year. Although there was a widening of the client base, reducing the customer concentration risk, profit margins from these customers were lower. This, coupled with a reduction in the overall level of forex trading activity, contributed to the lower profit for the quarter.

Associate profits were boosted by the workers' dormitory sale noted above. Contributions of approximately S\$0.8 million and S\$0.6 million were made by Hong Kong investment banking boutique Platinum Holdings Company Limited, and corporate services provider Boardroom Limited respectively. Following the partial divestment of the Group's investment in Eastern & Oriental Bhd ("E&O") in September 2011, it should be noted that E&O, which contributed S\$0.3 million in the year-ago period, is no longer classified as an associate.

The increase in employee's compensation reflects provisions for profit-based bonuses.

The Group's balance sheet remains robust, with net current assets of S\$167.4 million. Following the sale of three major assets in 2011, cash reserves rose sharply. During this quarter, we deployed approximately S\$17.6 million into short-term investments, and S\$13.3 million into long-term investments. The Group's cash balance, net of bank borrowings and excluding segregated customer funds, remains high at approximately S\$118.7 million.

The Group's NAV per share at the end of March amounted to 118.7 cents, up from 113.6 cents at the end of the year. This figure includes the dividend of 6 cents which will be paid on 18 May 2012.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

Last year's profits were boosted by three significant asset sales, and the Company is now progressively reinvesting the proceeds into various long-term assets.

In the absence of further asset sales, the Group's earnings in the coming year will largely reflect changes in the value of its financial investments. This volatility is unavoidable and may result in mark-to-market losses in some quarters.

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INCOME STATEMENT

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

	Note	Group		+ / (-) %
		3 months ended		
		31 Mar 2012	31 Mar 2011	
		\$'000	\$'000	
Continuing operations				
Revenue				
Commission and broking revenue		4,386	4,729	(7)
Investment income		7,495	1,737	331
Other income		118	515	(77)
Total revenue		<u>11,999</u>	<u>6,981</u>	72
Cost and expenses				
Commission and broking expenses		(2,290)	(2,749)	(17)
Employees' compensation and related costs		(3,159)	(1,752)	80
Office and equipment rental costs		(243)	(247)	(2)
Depreciation		(185)	(193)	(4)
Technology and information service costs		(487)	(279)	75
(Loss) / gain on foreign currency exchange		(63)	(28)	125
Provision for doubtful debts		(51)	(21)	143
Other operating expenses		(589)	(521)	13
Total cost and expenses		<u>(7,067)</u>	<u>(5,790)</u>	22
Profit from operating activities		4,932	1,191	314
Finance costs		(118)	(77)	53
Share of profit of associated companies		8,763	945	827
Profit before taxation	B	13,577	2,059	559
Taxation	C	(872)	214	NM
Profit for the period, attributable to Owners of the Company		<u>12,705</u>	<u>2,273</u>	459

NM : Not meaningful

Basic and diluted earnings per share
- continuing operations

E
4.01 cents 0.72 cents

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

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

	Group		+ / (-) %
	31 Mar 2012	31 Mar 2011	
	\$'000	\$'000	
Profit net of tax	12,705	2,273	459
Other comprehensive income / (loss)			
Net gain / (loss) on fair value changes of available-for-sale financial assets	2,940	(2,802)	NM
Share of other comprehensive income / (loss) of associated companies	168	(20)	NM
Foreign currency translation	(108)	(517)	(79)
Other comprehensive income / (loss) for the period, net of tax	<u>3,000</u>	<u>(3,339)</u>	NM
Total comprehensive (loss) / income for the period, attributable to Owners of the Company	<u>15,705</u>	<u>(1,066)</u>	NM

NM : Not meaningful

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BALANCE SHEETS

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

	Note	Group		Company	
		31 Mar 2012 \$'000	31 Dec 2011 \$'000	31 Mar 2012 \$'000	31 Dec 2011 \$'000
Non-current assets					
Property, plant and equipment		1,488	1,571	-	-
Investment properties		312	337	-	-
Subsidiary companies		-	-	51,554	51,544
Associated companies		50,566	42,484	5,688	5,688
Long-term investments		155,108	138,578	-	-
Deferred tax asset		636	2,354	-	-
Other receivables		1,000	1,042	-	-
Current assets					
Amounts receivable from subsidiary companies		-	-	154,721	110,706
Trade debtors		8,977	9,493	-	-
Other debtors		1,180	1,516	87	17
Financial assets		75,507	51,471	-	-
Cash and bank balances		184,694	239,328	66,666	102,581
		<u>270,358</u>	<u>301,808</u>	<u>221,474</u>	<u>213,304</u>
Current liabilities					
Amounts due to associated companies		1,154	277	-	-
Trade creditors		81,578	106,882	-	-
Other creditors		8,934	9,292	843	450
Bank borrowings	D	10,333	9,491	10,333	3,248
Provision for taxation		995	1,258	592	434
		<u>102,994</u>	<u>127,200</u>	<u>11,768</u>	<u>4,132</u>
Net current assets		167,364	174,608	209,706	209,172
Non-current liabilities					
Deferred tax liability		552	545	286	245
Net assets		<u>375,922</u>	<u>360,429</u>	<u>266,662</u>	<u>266,159</u>
Equity					
Share capital		183,112	183,112	183,112	183,112
Capital reserve		137	137	137	137
Revenue reserve		185,620	173,123	83,413	82,910
Fair value adjustment reserve		10,435	6,938	-	-
Foreign currency translation reserve		(3,382)	(2,881)	-	-
Total equity		<u>375,922</u>	<u>360,429</u>	<u>266,662</u>	<u>266,159</u>

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STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Group 2012	Attributable to Owners of the Company					Total Equity \$'000
	Share	Revenue	Capital	Fair Value	Foreign	
	Capital	Reserve	Reserve	Adjustment	Currency	
	\$'000	\$'000	\$'000	Reserve	Translation	
			\$'000	Reserve	\$'000	
Opening balance at 1 January 2012	183,112	173,123	137	6,938	(2,881)	360,429
Profit for the period	-	12,705	-	-	-	12,705
<u>Other comprehensive income / (loss)</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	-	2,940	-	2,940
Share of other comprehensive income of associated companies	-	4	-	557	(393)	168
Foreign currency translation	-	-	-	-	(108)	(108)
Other comprehensive income / (loss) for the period	-	4	-	3,497	(501)	3,000
Total comprehensive income / (loss) for the period	-	12,709	-	3,497	(501)	15,705
<u>Contributions by and distributions to owners</u>						
Shares re-purchased	-	(337)	-	-	-	(337)
Unclaimed dividends	-	125	-	-	-	125
Total transactions with owners in their capacity as owners	-	(212)	-	-	-	(212)
Closing balance at 31 March 2012	183,112	185,620	137	10,435	(3,382)	375,922

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

Group 2011	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	
	Opening balance at 1 January 2011	183,112	132,887	609	2,163	
Profit for the period	-	2,273	-	-	-	2,273
<u>Other comprehensive income / (loss)</u>						
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(2,802)	-	(2,802)
Share of other comprehensive loss of associated companies	-	-	(20)	-	-	(20)
Foreign currency translation	-	-	-	-	(517)	(517)
Other comprehensive income / (loss) for the period	-	-	(20)	(2,802)	(517)	(3,339)
Total comprehensive income / (loss) for the period	-	2,273	(20)	(2,802)	(517)	(1,066)
<u>Contributions by and distributions to owners</u>						
Change in equity share of associated companies	-	(460)	-	-	-	(460)
Total transactions with owners in their capacity as owners	-	(460)	-	-	-	(460)
Closing balance at 31 March 2011	183,112	134,700	589	(639)	(6,626)	311,136

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2012	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 January 2012	183,112	82,910	137	266,159
Profit for the period	-	715	-	715
Total comprehensive income for the period	-	715	-	715
<u>Contributions by and distributions to owners</u>				
Shares re-purchased	-	(337)	-	(337)
Unclaimed dividends	-	125	-	125
Total transactions with owners in their capacity as owners	-	(212)	-	(212)
Closing balance at 31 March 2012	183,112	83,413	137	266,662

Company 2011	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 January 2011	183,112	88,654	137	271,903
Profit for the period	-	967	-	967
Total comprehensive income for the period	-	967	-	967
Closing balance at 31 March 2011	183,112	89,621	137	272,870

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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 2012	31 Mar 2011
	\$'000	\$'000
Cash flow from operating activities:		
Profit before taxation	13,577	2,059
Adjustments for :-		
Depreciation of property, plant and equipment	185	193
Gain on disposal of property, plant and equipment	-	(99)
Finance costs	118	77
Interest income	(305)	(331)
Dividend income	(269)	(141)
Loss / (gain) on sale of long-term investments	375	(36)
Provision of allowance for doubtful debts	51	21
Fair value adjustment	(6,509)	2,495
Share of profit of associated companies	(8,763)	(945)
Operating (loss) / profit before reinvestment in working capital	<u>(1,540)</u>	<u>3,293</u>
Decrease / (increase) in debtors	835	(13,614)
(Increase) / decrease in short-term investments	(17,579)	1,777
Decrease in creditors	(24,894)	(9,886)
Cash flow used in operations	<u>(43,178)</u>	<u>(18,430)</u>
Interest paid	(9)	(20)
Interest received	271	268
Income tax refund	44	25
Net cash used in operating activities	<u>(42,872)</u>	<u>(18,157)</u>

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CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

	Group	
	3 months ended	
	31 Mar 2012	31 Mar 2011
	\$'000	\$'000
Cash flow from investing activities:		
Purchase of property, plant and equipment	(81)	(875)
Proceeds from disposal of property, plant and equipment	-	99
Purchase of long-term investments	(17,021)	(1,606)
Proceeds from sale of long-term investments	3,710	382
Investment in associated companies	-	(1,192)
Proceeds from disposal of associated companies	-	836
Net dividend received from associated companies	605	605
Dividend income	256	106
Net cash used in investing activities	<u>(12,531)</u>	<u>(1,645)</u>
Cash flow from financing activities:		
Unclaimed dividends	125	-
Shares re-purchased	(337)	-
Proceeds from / (repayment of) bank borrowings	842	(712)
Net cash from / (used in) financing activities	<u>630</u>	<u>(712)</u>
Net decrease in cash and cash equivalents	(54,773)	(20,514)
Effect of exchange rate changes in opening cash and cash equivalents	139	6
Cash and cash equivalents at beginning of period	239,328	144,955
Cash and cash equivalents at end of period	<u>184,694</u>	<u>124,447</u>

Cash and bank balances of the Group include fixed deposits of \$23,857,000 (2011: \$26,435,000) and other cash and bank balances of \$31,814,000 (2011: \$37,583,000) 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 2012

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

A. SHARE CAPITAL

In the first quarter ended 31 March 2012, 410,000 (2011: Nil) shares were purchased by the Company and no (2011: Nil) shares were issued in the same period. The total number of issued shares as at 31 March 2012 was 316,768,805 (2011: 317,178,805). The Company does not hold any treasury shares as at 31 March 2012 and 2011.

B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group	
	3 months ended	
	31 Mar 2012	31 Mar 2011
	\$'000	\$'000
Commission and broking revenue –		
Commission	113	269
Forex broking revenue	4,273	4,460
Investment income –		
Fair value adjustment for short-term investments	6,457	(2,677)
Fair value adjustment for long-term investments	52	182
Gain on sale of short-term investments	787	3,724
Gain / (loss) on sale of long-term investments	(375)	36
Gross dividend income :		
- Quoted investments	269	141
Interest income :		
- Fixed deposits	155	66
- Others	150	265
Other income –		
Service income	-	1
Rental income	115	418
Finance cost –		
Interest expense -		
Bank loans and overdrafts	(101)	(67)
Others	(17)	(10)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group	
	3 months ended	
	31 Mar 2012	31 Mar 2011
	\$'000	\$'000
Current taxation		
Current year	(128)	(126)
Over / (under) provision in respect of prior years	422	(10)
Deferred tax	(1,166)	350
	<u>(872)</u>	<u>214</u>

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Amount due within one year	-	-	10,333	9,491
Amount due after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

E. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to shareholders of \$12,705,000 (2011: \$2,273,000) by the weighted average number of ordinary shares in issue during the period of 317,042,138 (2011: 317,178,805).

There are no outstanding share options as at 31 March 2012 and 2011.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
Net asset value per share based on existing issued share capital as at the end of the respective period	118.67 cts	113.64 cts	84.18 cts	83.91 cts
	<u>118.67 cts</u>	<u>113.64 cts</u>	<u>84.18 cts</u>	<u>83.91 cts</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). 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.

DIVIDENDS

No dividend was declared or paid during the period ended 31 March 2012 (2011: Nil).

AUDIT

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

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 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary

9 May 2012
Singapore