



**G. K. GOH HOLDINGS LIMITED**  
**Financial Statements**  
**And Dividend Announcement**  
**For Second Quarter Ended 30 June 2010**

(Co. Reg. No. 199000184D)

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## REVIEW OF PERFORMANCE OF THE GROUP

### Review for the 3 months to June 2010

For the second quarter, group net profits amounted to S\$2.2 million, a 51% improvement on the S\$1.5 million earned in the same period last year. Total comprehensive income, which includes gains on long-term investments and foreign currency translation effects, amounted to S\$5.2 million, down 46% from S\$9.7 million in the same period last year. Net asset value per share, following the payment of a 1.5 cents dividend, was 92.36 cents, compared to 91.44 cents at the end of 2009.

At the operating level, the group incurred a loss of S\$1.5 million, compared to a profit of S\$7.6 million in the same period last year. Three factors contributed to this. First, overall investment income declined to S\$0.9 million (2Q09: S\$9.8 million). The quarter saw very uncertain markets, with early gains offset by a period of significant declines.

Second, our futures and forex businesses saw a roughly unchanged loss of S\$0.7 million, despite improved revenues, as spending increased on a new online service that is being launched in the third quarter.

Third, we made a provision of S\$0.5 million for loans which had been extended to an associate company as part of our investment in a new advisory business in the energy and minerals sector. Whilst this business is now operational, your directors consider it prudent to mark the loan down to reflect the underlying book value of the business.

Group profits were helped by strong contributions from Eastern & Oriental Berhad (E&O+) and stable returns from Boardroom Ltd. Our share of E&O+ profits amounted to S\$2.2 million (2Q09 loss: S\$3.3 million), reflecting the impact of land sales as well as improvement in its development profits from launches in Kuala Lumpur and Penang. Of our other associates, Platinum contributed S\$0.4 million while Value Monetization Ltd lost S\$0.3 million as a result of mark-to-market declines in its investments. In aggregate, our associates contributed S\$2.9 million to our profits, compared to a total loss of S\$5.0 million, comprising S\$2.5 million of associated losses and S\$2.5 million of impairment losses, in the second quarter of 2009.

Our bottom line was also boosted by a tax credit of S\$0.8 million, mainly from the writeback in deferred taxes, arising from tax benefit recognized upon crystallization of investment losses during the period.

Our balance sheet remains strong, with net current assets of S\$99.1 million (2Q09: S\$103.3 million). Included in the net current assets was S\$11.5 million of short term loan which we drew down in USD to hedge against the USD denominated fixed income investments we made during the quarter. We ended the period with S\$60.8 million in financial assets (mainly equities and bonds), up from S\$43.9 million at the end of 2009, while cash holdings dropped from S\$83.3 million to S\$70.7 million.

During the quarter, we completed the acquisition of the minority interest in our subsidiary, Ample Echo Limited, thus there is no minority interest for the quarter ended 30 June 2010.

## **REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)**

### Review for the 6 months to June 2010

For the first half of 2010, net profits amounted to S\$7.0 million, compared to a loss of S\$13.8 million for the same period in 2009. The improvement reflects better investment gains and the non-recurrence of writedowns and impairment charges that had been taken in the immediate aftermath of the financial crisis. The first half of 2009 also saw associate losses totaling S\$4.2 million. By contrast, the current half year saw S\$4.3 million in associate profits.

Total comprehensive income for the first half year amounted to S\$8.7 million (2Q09: S\$0.3 million).

## **VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS**

None

## **COMMENTARY ON PROSPECTS**

The group is expected to remain profitable, the key variable being the performance of our investment portfolio amidst considerable macroeconomic uncertainties in developed countries.

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## INCOME STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group			Group		
		3 months ended		+ / (-) %	6 months ended		+ / (-) %
		30 Jun 2010	30 Jun 2009		30 Jun 2010	30 Jun 2009	
		\$000	\$000		\$000	\$000	
			(reclassified)		(reclassified)		
<b>Continuing operations</b>							
<b>Revenue</b>							
Commission and broking income		386	300	29	686	936	(27)
Investment income		900	9,806	(91)	6,020	1,935	211
Other income		778	398	95	1,322	1,002	32
Total revenue		<u>2,064</u>	<u>10,504</u>	(80)	<u>8,028</u>	<u>3,873</u>	107
<b>Cost and expenses</b>							
Commission paid to agents		(159)	(56)	184	(289)	(117)	147
Employees' compensation and related costs		(1,499)	(1,045)	43	(3,109)	(2,078)	50
Office and equipment rental costs		(242)	(148)	64	(331)	(296)	12
Depreciation		(165)	(205)	(20)	(345)	(421)	(18)
Technology and information service costs		(246)	(208)	18	(494)	(365)	35
(Loss) / gain on foreign currency exchange		(150)	(782)	(81)	549	(1,920)	NM
Impairment of investment property		-	-	NM	-	(2,594)	NM
Provision for doubtful debts		(519)	(12)	4,225	(535)	(33)	1,521
Other operating expenses		(537)	(441)	22	(1,028)	(993)	4
Total cost and expenses		<u>(3,517)</u>	<u>(2,897)</u>	21	<u>(5,582)</u>	<u>(8,817)</u>	(37)
<b>Profit / (loss) from continuing operating activities</b>		<b>(1,453)</b>	<b>7,607</b>	NM	<b>2,446</b>	<b>(4,944)</b>	NM
Finance costs		(51)	(44)	16	(110)	(102)	8
Share of profit / (loss) of associated companies		2,932	(2,508)	NM	4,275	(4,239)	NM
Impairment of associated companies		-	(2,515)	NM	-	(2,515)	NM
<b>Profit / (loss) before taxation</b>	B	<b>1,428</b>	<b>2,540</b>	(44)	<b>6,611</b>	<b>(11,800)</b>	NM
Taxation	C	777	(1,077)	NM	373	(2,004)	NM
<b>Profit / (loss) for the period</b>		<b><u>2,205</u></b>	<b><u>1,463</u></b>	51	<b><u>6,984</u></b>	<b><u>(13,804)</u></b>	NM
Profit / (loss) attributable to:							
Members of the Company		2,205	2,380	(7)	6,641	(12,703)	NM
Minority interest		-	(917)	NM	343	(1,101)	NM
		<u>2,205</u>	<u>1,463</u>	51	<u>6,984</u>	<u>(13,804)</u>	NM
NM : Not meaningful							
<b>Earnings / (loss) per share</b>							
<b>Basic and diluted:</b>	E	<b>0.70 cents</b>	<b>0.75 cents</b>		<b>2.09 cents</b>	<b>(3.99) cents</b>	
<b>- continuing operations:</b>		<b>0.70 cents</b>	<b>0.75 cents</b>		<b>2.09 cents</b>	<b>(3.99) cents</b>	

Note:

Dividend and interest income have been classified under Investment income. Comparative amounts have been reclassified accordingly.

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## STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group			Group		
	3 months ended		+ / (-)	6 months ended		+ / (-)
	30 Jun 2010	30 Jun 2009		30 Jun 2010	30 Jun 2009	
	\$φ00	\$φ00	%	\$φ00	\$φ00	%
<b>Profit / (loss) net of tax</b>	<b>2,205</b>	<b>1,463</b>	51	<b>6,984</b>	<b>(13,804)</b>	NM
<b>Other comprehensive income / (loss)</b>						
Net gain / (loss) on long-term investments	1,398	9,488	(85)	(1,876)	14,531	NM
Share options in associated company	21	-	NM	(125)	-	NM
Share of other comprehensive loss of associated companies	-	(1)	NM	-	(1)	NM
Foreign currency translation	1,598	(1,232)	NM	3,753	(453)	NM
<b>Other comprehensive income for the period</b>	<b>3,017</b>	<b>8,255</b>	(63)	<b>1,752</b>	<b>14,077</b>	(88)
<b>Total comprehensive income for the period</b>	<b>5,222</b>	<b>9,718</b>	(46)	<b>8,736</b>	<b>273</b>	3,100
Total comprehensive income / (loss) attributable to:						
Members of the Company	5,222	10,849	(52)	7,407	1,482	400
Minority interest	-	(1,131)	NM	1,329	(1,209)	NM
	<b>5,222</b>	<b>9,718</b>	(46)	<b>8,736</b>	<b>273</b>	3,100

NM : Not meaningful

# Financial Statements

## BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group		Company	
		30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
		\$φ00	\$φ00	\$φ00	\$φ00
<b>Non-current assets</b>					
Property, plant and equipment		292	388	-	-
Investment properties		23,467	23,652	-	-
Subsidiary companies		-	-	46,856	36,759
Associated companies		107,075	112,501	5,635	5,635
Long-term investments		71,145	64,828	-	-
Deferred tax asset		1,690	989	-	-
Other receivables		1,109	1,037	-	-
<b>Current assets</b>					
Amounts receivable from subsidiary companies		-	-	180,912	186,032
Amounts receivable from associated company		647	842	-	-
Trade debtors		6,963	3,619	-	-
Other debtors		1,507	926	51	6
Financial assets		60,823	43,895	-	-
Cash and bank balances		70,674	83,330	28,092	32,514
		140,614	132,612	209,055	218,552
<b>Current liabilities</b>					
Trade creditors		25,751	24,838	-	-
Other creditors		3,567	3,160	570	674
Bank borrowings	D	11,469	650	-	-
Provision for taxation		772	619	199	85
		41,559	29,267	769	759
<b>Net current assets</b>		99,055	103,345	208,286	217,793

# Financial Statements

## BALANCE SHEETS (Continued)

	Note	Group		Company	
		30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
		\$'000	\$'000	\$'000	\$'000
<b>Non-current liabilities</b>					
Bank borrowings	D	(10,779)	(11,104)	-	-
Deferred tax liability		(95)	(178)	(57)	(140)
<b>Net assets</b>		<u>292,959</u>	<u>295,458</u>	<u>260,720</u>	<u>260,047</u>
<b>Equity</b>					
Share capital		183,112	183,112	183,112	183,112
Capital reserve		281	362	137	137
Revenue reserve		112,086	110,825	77,471	76,798
Fair value adjustment reserve		557	2,433	-	-
Foreign currency translation reserve		(3,077)	(5,800)	-	-
		<u>292,959</u>	<u>290,932</u>	<u>260,720</u>	<u>260,047</u>
Minority interest		-	4,526	-	-
<b>Total equity</b>		<u>292,959</u>	<u>295,458</u>	<u>260,720</u>	<u>260,047</u>



# Financial Statements

## STATEMENTS OF CHANGES IN EQUITY

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

2010 Group	Attributable to Members of the Company								
	Equity Total	Equity attributable to Members of the Company	Share Capital	Revenue Reserve	Other Reserves	Capital Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Minority Interests
	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00
Opening balance at 1 April 2010	298,350	292,495	183,112	114,639	(5,256)	260	(841)	(4,675)	5,855
Total comprehensive income for the period	5,222	5,222	-	2,205	3,017	21	1,398	1,598	-
Acquisition of minority interests	(5,855)	-	-	-	-	-	-	-	(5,855)
Dividends on ordinary shares paid	(4,758)	(4,758)	-	(4,758)	-	-	-	-	-
Closing balance at 30 June 2010	292,959	292,959	183,112	112,086	(2,239)	281	557	(3,077)	-

2009 Group	Attributable to Members of the Company								
	Equity Total	Equity attributable to Members of the Company	Share Capital	Revenue Reserve	Other Reserves	Capital Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Minority Interests
	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00	\$ $\phi$ 00
Opening balance at 1 April 2009	272,086	267,047	183,112	93,437	(9,502)	271	(3,326)	(6,447)	5,039
Total comprehensive income / (loss) for the period	9,718	10,849	-	2,380	8,469	-	9,488	(1,019)	(1,131)
Shares issuance to minority shareholders	2,206	-	-	-	-	-	-	-	2,206
Dividends on ordinary shares paid	(3,182)	(3,182)	-	(3,182)	-	-	-	-	-
Closing balance at 30 June 2009	280,828	274,714	183,112	92,635	(1,033)	271	6,162	(7,466)	6,114

# Financial Statements

## STATEMENTS OF CHANGES IN EQUITY (Continued)

<b>2010 Company</b>	<b>Equity Total</b>	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Other Reserves</b>
	\$000	\$000	\$000	\$000
Opening balance at 1 April 2010	260,914	183,112	77,665	137
Total comprehensive income for the period	4,564	-	4,564	-
Dividends on ordinary shares paid	(4,758)	-	(4,758)	-
Closing balance at 30 June 2010	<u>260,720</u>	<u>183,112</u>	<u>77,471</u>	<u>137</u>

<b>2009 Company</b>	<b>Equity Total</b>	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Other Reserves</b>
	\$000	\$000	\$000	\$000
Opening balance at 1 April 2009	245,790	183,112	62,541	137
Total comprehensive loss for the period	(647)	-	(647)	-
Dividends on ordinary shares paid	(3,182)	-	(3,182)	-
Closing balance at 30 June 2009	<u>241,961</u>	<u>183,112</u>	<u>58,712</u>	<u>137</u>

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## CONSOLIDATED STATEMENT OF CASH FLOW

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group	
	3 months ended	
	30 Jun 2010	30 Jun 2009
	\$φ00	\$φ00
<b>Cash flow from operating activities:</b>		
Profit before taxation	1,428	2,540
Adjustments for :-		
Depreciation of property, plant and equipment	165	205
Negative goodwill on acquisition of minority interests	(693)	-
Loss on disposal of an associated company	570	-
Interest expense	51	44
Interest income	(214)	(240)
Dividend income	(1,050)	(261)
(Gain) / loss on sale of long-term investments	(639)	1,134
Provision of allowance for doubtful debts	519	12
Fair value adjustment	4,277	(6,188)
Share of (profit) / loss of associated companies	(2,932)	2,508
Impairment of associated companies	-	2,515
	<u>1,482</u>	<u>2,269</u>
<b>Operating profit before reinvestment in working capital</b>		
(Increase) / decrease in debtors	(750)	2,609
Increase in short-term investments	(4,474)	(9,322)
Decrease in creditors	(1,422)	(563)
	<u>(5,164)</u>	<u>(5,007)</u>
<b>Cash flow used in operations</b>		
Interest paid	(40)	(46)
Interest received	211	179
Income tax paid	(1)	-
	<u>(4,994)</u>	<u>(4,874)</u>
<b>Net cash used in operating activities</b>		
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(24)	(46)
Purchase of long-term investments	(3,459)	(10,081)
Proceeds from sale of long-term investments	3,290	5,278
Proceeds from disposal of associated companies	13,206	-
Net dividend received from associated companies	-	343
Dividend income	1,041	232
	<u>14,054</u>	<u>(4,274)</u>
<b>Net cash from / (used in) investing activities</b>		
<b>Cash flow from financing activities:</b>		
Dividends paid	(4,758)	(3,182)
Proceeds from issuance of shares to minority shareholders	-	2,206
Acquisition of minority interests	(5,185)	-
Proceeds from / (repayment of) bank borrowings	10,657	(163)
	<u>714</u>	<u>(1,139)</u>
<b>Net cash from / (used in) financing activities</b>		
Net increase / (decrease) in cash and cash equivalents	9,774	(10,287)
Effect of exchange rate changes in opening cash and cash equivalents	(127)	316
Cash and cash equivalents at beginning of period	61,027	118,167
	<u>70,674</u>	<u>108,196</u>
<b>Cash and cash equivalents at end of period</b>		

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

(Amounts in Singapore dollars)

(These figures have not been audited)

### A. SHARE CAPITAL

In the second quarter ended 30 June 2010, no shares were purchased or issued by the Company (2009: Nil). The Company does not hold any treasury shares as at 30 June 2010.

### B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group 3 months ended		Group 6 months ended	
	30 Jun 2010 \$000	30 Jun 2009 \$000 (reclassified)	30 Jun 2010 \$000	30 Jun 2009 \$000 (reclassified)
Investment income / (loss) .				
Fair value adjustment for short-term investments	(4,325)	4,438	(2,744)	5,599
Fair value adjustment for long-term investments	48	1,750	645	3,125
Impairment loss for other receivables	-	-	-	(343)
Gain on sale of short-term investments	3,274	4,251	5,954	1,197
Gain / (loss) on sale of long-term investments	639	(1,134)	349	(8,513)
Gross dividend income :				
- Quoted investments	1,050	261	1,326	343
Interest income :				
- Fixed deposits	56	77	119	206
- Others	158	163	371	321
Finance cost .				
Interest expense -				
Bank loans and overdrafts	(42)	(37)	(75)	(78)
Others	(9)	(7)	(35)	(24)

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### C. TAX

	Group 3 months ended		Group 6 months ended	
	30 Jun 2010 \$φ00	30 Jun 2009 \$φ00	30 Jun 2010 \$φ00	30 Jun 2009 \$φ00
Current taxation				
Current year	(138)	(115)	(208)	(153)
Deferred tax	915	(962)	581	(1,851)
	<u>777</u>	<u>(1,077)</u>	<u>373</u>	<u>(2,004)</u>

### D. AGGREGATE AMOUNT OF GROUPφ BORROWINGS

	Secured		Unsecured	
	30 Jun 2010 \$φ00	31 Dec 2009 \$φ00	30 Jun 2010 \$φ00	31 Dec 2009 \$φ00
Amount due within one year	650	650	10,819	-
Amount due after one year	10,779	11,104	-	-
	<u>11,429</u>	<u>11,754</u>	<u>10,819</u>	<u>-</u>

The bank borrowing is secured against an investment property held by a subsidiary company.

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### E. EARNINGS / (LOSS) PER SHARE

- (a) Basic earnings / (loss) per share ( $\%EPS$ ) is calculated by dividing the profit attributable to shareholders after deducting minority interest of \$2,205,000 (2009: \$2,380,000) by the weighted average number of ordinary shares in issue during the period of 317,179,000 (2009: 318,179,000).
- (b) Fully diluted EPS is calculated after adjusting for those shares not yet exercised under the 2000 SOS as follows:-

	Group 3 months ended		Group 6 months ended	
	30 Jun 2010 φ00	30 Jun 2009 φ00	30 Jun 2010 φ00	30 Jun 2009 φ00
Weighted average number of ordinary shares outstanding used in the calculation of fully diluted EPS	317,179	318,179	317,512	318,679

There are no outstanding share options as at 30 June 2010 (2009: Nil).

### F. NET ASSET VALUE PER SHARE

	Group		Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
Net asset value per share based on existing issued share capital as at the end of the respective period	92.36 cts	91.44 cts	82.20 cts	81.73 cts

### G. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ( $\%RS$ ). 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.

# Financial Statements

## DIVIDENDS

	<b>Group and Company 3 months ended</b>	
	<b>30 Jun 2010</b>	<b>30 Jun 2009</b>
	<b>\$000</b>	<b>\$000</b>
Final dividends paid, 1.5 cents per ordinary share, one-tier tax exempt (2009: 1 cent per ordinary share)	4,758	3,182

No dividend was declared or recommended during the period ended 30 June 2010 (2009: Nil).

## AUDIT

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

## CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4)

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 second quarter ended 30 June 2010 to be false or misleading in any material aspect.

## BY ORDER OF THE BOARD

**Tan Cher Liang**  
Company Secretary

6 August 2010  
Singapore