



G. K. GOH HOLDINGS LIMITED

Financial Statements

And Related Announcement

For Second Quarter Ended 30 June 2017

(Co. Reg. No. 199000184D)

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the 2nd Quarter

The June quarter delivered Group net profits of S\$4.4 million (2Q16: S\$1.7 million) from continuing operations and total comprehensive income of S\$5.8 million (2Q16: negative S\$6.3 million). Our net asset value per share rose to S\$1.24 from S\$1.19 at the end of 2016.

Revenues grew 3% to S\$20.4 million. The change in the status of Habitat Assets Pte Ltd (“Habitat”) from subsidiary to associate means that management fees earned from Habitat’s retirement villages in Australia are no longer included in our Group revenues. Adjusting for the S\$1.1 million of revenues attributable to Habitat in 2Q16, our Group revenues would have shown growth of 9%.

Prior year data has also been adjusted for the reclassification of G. K. Goh Financial Services (S) Pte Ltd to “discontinued operations” following its sale at the end of February 2017.

Boardroom Ltd’s (“Boardroom”) revenues grew by 4% while profits grew by 64% year-on-year to S\$3.0 million (2Q16: S\$1.8 million) through business growth, and through improved efficiencies and cost savings.

Stronger equity markets helped the Group’s investment portfolio to return S\$2.0 million, compared to breakeven results a year ago. During the quarter, we increased our equity market exposure to S\$42.5 million from S\$34.9 million at the end of March, reflecting a more positive stance, particularly in Japanese equities.

Collectively, associates contributed profits of S\$3.8 million. Opal Aged Care Group (“Opal”), our Australian aged care associate, contributed S\$5.3 million, a 12% year-on-year growth on the back of increased capacity. Opal has grown its network to 72 homes and over 6,300 beds, and will continue its expansion both by building new homes and by upgrading existing facilities.

Habitat, which builds and operates retirement villages in Australia, was previously consolidated as a subsidiary. Following the introduction of additional investors, our stake was diluted to 38% and the investment was reclassified from subsidiary to associate at the end of March. Concurrently, Habitat did a restructuring to consolidate its investments in Arcadia and Hidden Valley. This restructuring led to a write-down of goodwill and old facilities, our share of which was S\$1.1 million. Together with increased marketing costs for launch of a new project at Hidden Valley to the north of Melbourne, Habitat contributed a loss of S\$1.4 million in the second quarter.

Other comprehensive income amounted to S\$1.4 million (2Q16 S\$8.0 million). We booked a S\$7.3 million gain on our holding in Croesus Retail Trust which is currently the subject of a takeover bid. This was substantially offset by a S\$5.5 million retracement in the value of our stake in Eastern & Oriental Bhd (“E&O”) after we had booked a gain of S\$11.4 million in the first quarter. There was a S\$2.6 million forex loss due to weakness in the Australian dollar (2Q16: S\$5.0 million).

Results for the Six Months

For the six months to June, Group net profits were S\$12.2 million from continuing operations (2Q16: S\$3.5 million) while total comprehensive income amounted to S\$28.1 million (1H16: S\$1.0 million).

Boardroom delivered 61% higher first half earnings of S\$3.8 million (1H16: S\$2.4 million) on a 3% increase in revenues. As noted earlier, Boardroom has shifted and strengthened its business mix while improving operational efficiency.

Investment income was strong, reflecting the robustness in most Asian markets. Our investment portfolio contributed S\$10.3 million to profits (1H16: S\$1.7 million).

Opal’s six-month earnings contribution grew by 23% to S\$10.9 million (1H16: S\$8.8 million), reflecting increases in bed capacity and operating efficiency, partly offset by the impact of changes in government funding.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Habitat contributed a total gain of S\$1.3 million in the first half, comprising one-time deconsolidation disposal gain of S\$2.8 million in the first quarter, offset by one-off restructuring write-downs of S\$1.1 million in the second quarter and 6 months of operating loss of S\$0.4 million.

The steep increase in other comprehensive income to S\$15.9 million (1H16: negative S\$2.5 million) includes the unrealised gains from our long-term investments, notably Croesus Retail Trust (S\$8.7 million) and E&O (S\$5.9 million). Fluctuations in the Australian dollar led to a net foreign exchange gain of S\$0.9 million (1H16: loss of S\$4.8 million).

The Group's net asset value increased to S\$406.0 million. Net debt rose S\$2.0 million since December 2016 to S\$174.2 million, most of the increase resulting from payment for an acre-land parcel at Venus Drive. We broke ground on the site on 10 July 2017, and we expect to start operating our first nursing home in Singapore around January 2019.

The Group balance sheet as at 30 June 2017 showed net current liabilities of S\$15.2 million. This issue will be resolved in the third quarter when we expect to convert S\$17 million of short-term loans into long-term debt. Net debt amounted to S\$174.2 million (Dec 2016: S\$172.2 million) with gearing remaining fairly modest at 30%.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

We expect our operating companies to be satisfactorily profitable over the next year.

Opal has grown substantially since we first invested three and a half years ago, and we are expecting earnings to level off for the next year, in part because of reductions in government funding which affect all operators, and also because Opal is now in the midst of an extended program to construct new aged care facilities, which will in the short-term increase its level of borrowings.

Our profits in the second half would be boosted if we sell our units in Croesus Retail Trust. Based on the current takeover price of S\$1.17, we would book net profits of S\$9.4 million. Shareholders should note that this gain is already reflected in our total comprehensive income and net asset value as the market price of Croesus already exceeds the current takeover price.

The Group's operating overheads will increase over the next 18 months as our Allium Healthcare unit builds up its aged care team in Singapore ahead of the launch of the Venus Drive nursing home in early 2019. Allium intends to make further investments in aged care and retirement living.

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STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group			Group		
		3 months ended		+ / (-) %	6 months ended		+ / (-) %
		30 Jun 2017	30 Jun 2016		30 Jun 2017	30 Jun 2016	
		\$'000	\$'000		\$'000	\$'000	
			(reclassified)		(reclassified)		
CONTINUING OPERATIONS							
Revenue							
Corporate services revenue		18,111	17,486	4	33,327	32,305	3
Investment income		1,962	809	143	10,322	1,683	513
Other income		351	1,459	(76)	2,345	2,742	(14)
Total revenue		20,424	19,754	3	45,994	36,730	25
Cost and expenses							
Employees' compensation and related costs		(12,521)	(12,970)	(3)	(27,869)	(24,796)	12
Office and equipment rental costs		(1,743)	(1,676)	4	(3,519)	(3,208)	10
Depreciation and amortisation		(1,370)	(1,555)	(12)	(3,044)	(3,150)	(3)
Technology and information services costs		(324)	(329)	(2)	(512)	(622)	(18)
Gain / (loss) on foreign currency exchange		404	(854)	NM	1,192	(776)	NM
Provision for doubtful debts		41	(416)	NM	(156)	(522)	(70)
Other operating expenses		(2,419)	(3,238)	(25)	(5,253)	(6,310)	(17)
Total cost and expenses		(17,932)	(21,038)	(15)	(39,161)	(39,384)	(1)
Profit / (loss) from operating activities		2,492	(1,284)	NM	6,833	(2,654)	NM
Finance costs		(1,342)	(1,572)	(15)	(2,833)	(3,025)	(6)
Share of profit of associates		3,799	4,948	(23)	9,348	9,362	(0)
Profit before tax from continuing operations		4,949	2,092	137	13,348	3,683	262
Taxation	B C	(578)	(405)	43	(1,099)	(191)	475
Profit from continuing operations, net of tax		4,371	1,687	159	12,249	3,492	251
DISCONTINUED OPERATIONS							
Loss from discontinued operations, net of tax		-	(391)	NM	(407)	(621)	(34)
Profit for the period		4,371	1,296	237	11,842	2,871	312
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)		3,928	(2,140)	NM	16,634	4,228	293
- transferred to profit or loss on disposal		-	-	0	(1,497)	(227)	559
Share of other comprehensive income / (loss) of associates		99	(898)	NM	(196)	(1,706)	(89)
Net gain / (loss) on hedge of net investment		583	1,622	(64)	(636)	1,981	NM
Foreign currency translation		(3,215)	(6,585)	(51)	1,555	(6,808)	NM
Other comprehensive income / (loss) for the period, net of tax		1,395	(8,001)	NM	15,860	(2,532)	NM
Total comprehensive income / (loss) for the period		5,766	(6,705)	NM	27,702	339	8,072
Profit / (loss) attributable to:							
Owners of the Company							
- Profit from continuing operations		4,039	1,989	103	12,196	4,024	203
- Loss from discontinued operations		-	(391)	NM	(407)	(621)	(34)
Non-controlling interests		332	(302)	NM	53	(532)	NM
		4,371	1,296	237	11,842	2,871	312
Total comprehensive income / (loss) attributable to:							
Owners of the Company							
- Total comprehensive income / (loss) from continuing operations		5,557	(5,596)	NM	27,713	2,037	1,260
- Total comprehensive loss from discontinued operations		-	(391)	NM	(407)	(621)	(34)
Non-controlling interests		209	(718)	NM	396	(1,077)	NM
		5,766	(6,705)	NM	27,702	339	8,072

NM : Not meaningful

Earnings per share (basic and diluted)

	E			
- from continuing operations	1.24 cents	0.61 cents	3.73 cents	1.23 cents
- from discontinued operations	-	(0.12) cents	(0.12) cents	(0.19) cents
- total	1.24 cents	0.49 cents	3.61 cents	1.04 cents

Note

Following the Group's disposal of G. K. Goh Financial Services (S) Pte Ltd ("GKGFS"), the results of GKGFS have been reclassified to Loss from Discontinued Operations.

Financial Statements

BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group		Company	
		30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		27,169	17,712	-	-
Intangible assets		96,111	110,419	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	64,622	72,802
Associates		210,276	184,073	-	-
Long-term investments		214,188	212,705	5,976	5,802
Other long-term assets		604	15,983	-	-
Deferred tax assets		5,417	5,770	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	289,407	301,240
Assets of disposal group classified as held for sale		-	89,445	-	-
Trade debtors		14,727	15,469	-	-
Other debtors		3,839	15,705	458	403
Short-term investments		42,479	35,097	-	-
Cash and bank balances		29,032	36,032	1,123	1,263
		90,077	191,748	290,988	302,906
Current liabilities					
Liabilities of disposal group classified as held for sale		-	73,718	-	-
Amounts due to associates		-	2	-	-
Trade creditors		12,286	9,166	-	-
Other creditors		9,769	14,991	528	684
Bank borrowings	D	82,136	90,108	41,836	52,478
Provision for taxation		1,098	1,588	233	188
		105,289	189,573	42,597	53,350
Net current (liabilities) / assets		(15,212)	2,175	248,391	249,556
Non-current liabilities					
Bank borrowings	D	108,842	104,909	-	-
Amounts due to associates		-	4,046	-	-
Provision for employee benefits		283	352	-	-
Deferred tax liabilities		15,604	24,569	975	1,361
Net assets		417,551	418,688	318,014	326,799
Equity attributable to Owners of the Company					
Share capital		191,987	191,987	191,987	191,987
Revenue reserve		197,487	193,469	125,617	134,575
Transactions with non-controlling interests		(9,139)	(7,097)	-	-
Capital reserve		137	137	137	137
Cash flow hedge reserve		(991)	(795)	-	-
Fair value adjustment reserve		42,161	27,024	273	100
Foreign currency translation reserve		(15,650)	(16,226)	-	-
		405,992	388,499	318,014	326,799
Non-controlling interests		11,559	30,189	-	-
Total equity		417,551	418,688	318,014	326,799

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STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Attributable to Owners of the Company

Group 2017	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
	\$'000	\$'000	Interests	\$'000	Reserve	Reserve	Reserve	Owners of the	Interests	\$'000
			\$'000		\$'000	\$'000	\$'000	Company	\$'000	\$'000
Balance at 1 April 2017	191,987	203,249	(9,139)	137	(1,090)	38,233	(13,141)	410,236	11,845	422,081
Profit for the period	-	4,039	-	-	-	-	-	4,039	332	4,371
Other comprehensive income / (loss)										
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	3,928	-	3,928	-	3,928
Share of other comprehensive income of associates	-	-	-	-	99	-	-	99	-	99
Net gain on hedge of net investment	-	-	-	-	-	-	583	583	-	583
Foreign currency translation	-	-	-	-	-	-	(3,092)	(3,092)	(123)	(3,215)
Other comprehensive income / (loss) for the period	-	-	-	-	99	3,928	(2,509)	1,518	(123)	1,395
Total comprehensive income / (loss) for the period	-	4,039	-	-	99	3,928	(2,509)	5,557	209	5,766

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Attributable to Owners of the Company									
	Share Capital	Revenue Reserve	Transactions with Non-controlling Interests	Capital Reserve	Cash Flow Hedge Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
Contributions by and distributions to Owners										
Dividend on ordinary shares	-	(9,801)	-	-	-	-	-	(9,801)	-	(9,801)
Total contributions by and distributions to Owners	-	(9,801)	-	-	-	-	-	(9,801)	-	(9,801)
Changes in ownership interests in subsidiaries										
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(495)	(495)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(495)	(495)
Total transactions with Owners in their capacity as Owners	-	(9,801)	-	-	-	-	-	(9,801)	(495)	(10,296)
Balance at 30 June 2017	191,987	197,487	(9,139)	137	(991)	42,161	(15,650)	405,992	11,559	417,551

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group 2016	Attributable to Owners of the Company									
	Share Capital	Revenue Reserve	Transactions with Non-controlling Interests	Capital Reserve	Cash Flow Hedge Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Equity Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2016	191,987	178,357	(6,956)	209	(1,616)	38,689	(19,043)	381,627	24,024	405,651
Profit / (loss) for the period	-	1,598	-	-	-	-	-	1,598	(302)	1,296
Other comprehensive income / (loss)										
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	(2,140)	-	(2,140)	-	(2,140)
Share of other comprehensive loss of associates	-	-	-	-	(898)	-	-	(898)	-	(898)
Net gain on hedge of net investment	-	-	-	-	-	-	1,622	1,622	-	1,622
Foreign currency translation	-	-	-	(72)	-	-	(6,097)	(6,169)	(416)	(6,585)
Other comprehensive income / (loss) for the period	-	-	-	(72)	(898)	(2,140)	(4,475)	(7,585)	(416)	(8,001)
Total comprehensive income / (loss) for the period	-	1,598	-	(72)	(898)	(2,140)	(4,475)	(5,987)	(718)	(6,705)

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Attributable to Owners of the Company									
	Share Capital	Revenue Reserve	Transactions with Non-controlling Interests	Capital Reserve	Cash Flow Hedge Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contributions by and distributions to Owners										
Dividend on ordinary shares	-	(13,067)	-	-	-	-	-	(13,067)	-	(13,067)
Total contributions by and distributions to Owners	-	(13,067)	-	-	-	-	-	(13,067)	-	(13,067)
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)
Acquisition of non-controlling interests without a change in control	-	-	(748)	-	-	-	-	(748)	(1,930)	(2,678)
Total changes in ownership interests in subsidiaries	-	-	(67)	-	-	-	-	(67)	5,471	5,404
Total transactions with Owners in their capacity as Owners	-	(13,067)	(67)	-	-	-	-	(13,134)	5,471	(7,663)
Balance at 30 June 2016	191,987	166,888	(7,023)	137	(2,514)	36,549	(23,518)	362,506	28,777	391,283

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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 April 2017	191,987	135,008	137	117	327,249
Profit for the period	-	410	-	-	410
Other comprehensive income					
Net gain on fair value changes of available-for-sale financial assets	-	-	-	156	156
Total comprehensive income for the period	-	410	-	156	566
Contributions by and distributions to Owners					
Dividend on ordinary shares	-	(9,801)	-	-	(9,801)
Total transactions with Owners in their capacity as Owners	-	(9,801)	-	-	(9,801)
Balance at 30 June 2017	191,987	125,617	137	273	318,014

Company 2016	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Fair Value Adjustment Reserve \$'000	Total Equity \$'000
Balance at 1 April 2016	191,987	134,615	137	-	326,739
Profit for the period	-	1,074	-	-	1,074
Total comprehensive income for the period	-	1,074	-	-	1,074
Contributions by and distributions to Owners					
Dividend on ordinary shares	-	(13,067)	-	-	(13,067)
Total transactions with Owners in their capacity as Owners	-	(13,067)	-	-	(13,067)
Balance at 30 June 2016	191,987	122,622	137	-	314,746

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CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group	
	3 months ended	
	30 Jun 2017	30 Jun 2016
	\$'000	\$'000
		(reclassified)
Cash flows from operating activities		
Profit before tax from continuing operations	4,949	2,092
Loss before tax from discontinued operations	-	(391)
	<hr/>	<hr/>
Profit before tax, total	4,949	1,701
Adjustments for :-		
Depreciation and amortisation	1,370	1,575
Loss on disposal of property, plant and equipment	-	3
Finance costs	1,342	1,572
Interest income	(62)	(257)
Dividend income	(315)	(583)
Gain on sale of long-term investments	-	(184)
(Writeback of) / provision for doubtful debts	(41)	416
Fair value adjustment	(972)	359
Share of profit of associates	(3,799)	(4,948)
	<hr/>	<hr/>
Operating profit / (loss) before reinvestment in working capital	2,472	(346)
Increase in debtors	(969)	(5,563)
(Increase) / decrease in short-term investments	(6,489)	495
Increase / (decrease) in creditors	1,689	(4,423)
	<hr/>	<hr/>
Cash flows used in operations	(3,297)	(9,837)
Interest paid	(1,391)	(1,565)
Interest received	59	258
Income tax paid	(440)	(537)
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Net cash flows used in operating activities	(5,069)	(11,681)

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CONSOLIDATED CASH FLOW STATEMENT (Continued)

	Group	
	3 months ended	
	30 Jun 2017	30 Jun 2016
	\$'000	\$'000
		(reclassified)
Cash flows from investing activities		
Purchase of property, plant and equipment	(385)	(293)
Proceeds from disposal of property, plant and equipment	1	3
Purchase of intangible assets	(352)	(351)
Purchase of long-term investments	(2,506)	(659)
Proceeds from sale of long-term investments	1,786	3,485
Net dividend received from associates	10,425	7,742
Dividend income received	225	269
Net cash flows from investing activities	9,194	10,196
Cash flows from financing activities		
Dividend paid	(9,801)	(13,067)
Acquisition of non-controlling interests	-	(2,678)
Dividend paid to non-controlling interests	(495)	(518)
Proceeds from issuance of shares to non-controlling interests	-	8,600
Proceeds from bank borrowings	2,771	18,548
Net cash flows (used in) / from financing activities	(7,525)	10,885
Net (decrease) / increase in cash and cash equivalents	(3,400)	9,400
Effect of exchange rate changes in opening cash and cash equivalents	285	1,387
Cash and cash equivalents at beginning of period	32,147	108,373
Cash and cash equivalents at end of period	29,032	119,160

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NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2017

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the second quarter ended 30 June 2017, no (2016: Nil) shares were purchased or issued by the Company. The total number of issued shares as at 30 June 2017 was 326,686,537 (2016: 326,686,537). There were no treasury shares or subsidiary holdings as at 30 June 2017 and 2016.

B. REVENUE AND EXPENSES

Profit before tax includes the following:

	Group 3 months ended		Group 6 months ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017 \$'000	30 Jun 2016 \$'000 (reclassified)
Corporate services revenue	18,111	17,486	33,327	32,305
Investment income –				
Fair value adjustment for short-term investments	1,049	(166)	2,392	(476)
Fair value adjustment for long-term investments	(77)	(193)	(14)	(174)
Gain / (loss) on sale of short-term investments	613	144	906	(70)
Gain on sale of long-term investments	-	184	2,585	843
Dividend income	315	583	1,437	1,121
Interest income:				
- Bank deposits	58	85	187	174
- Others	4	172	12	265
Gain on disposal of subsidiary	-		2,817	-
Other income –				
Deferred management fee income	-	1,050	1,263	1,669
Rental income	224	101	406	197
Finance costs –				
Interest expense -				
Bank loans and overdrafts	(1,342)	(1,553)	(2,780)	(3,002)
Others	-	(19)	(53)	(23)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group 3 months ended		Group 6 months ended	
	30 Jun 2017	30 Jun 2016	30 Jun 2017 \$'000	30 Jun 2016 \$'000
Current income tax				
Current year	(1,307)	(1,101)	(1,840)	(1,592)
Underprovision in respect of prior years	(10)	(164)	(10)	(154)
Deferred tax	739	860	751	1,555
	<u>(578)</u>	<u>(405)</u>	<u>(1,099)</u>	<u>(191)</u>

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	30 Jun 2017 \$'000	31 Dec 2016 \$'000	30 Jun 2017 \$'000	31 Dec 2016 \$'000
Amount due within one year	9,135	12,106	73,001	78,002
Amount due after one year	101,092	96,409	7,750	8,500
	<u>110,227</u>	<u>108,515</u>	<u>80,751</u>	<u>86,502</u>

E. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to Owners of \$4,039,000 (2016: \$1,598,000) by the weighted average number of ordinary shares in issue during the period of 326,686,537 (2016: 326,686,537).

There were no outstanding share options as at 30 June 2017 and 2016.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
Net asset value per share based on existing issued share capital as at the end of the respective period	124.28 cts	118.92 cts	97.35 cts	100.03 cts
	<u>124.28 cts</u>	<u>118.92 cts</u>	<u>97.35 cts</u>	<u>100.03 cts</u>

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. 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

	Group and Company 3 months ended	
	30 Jun 2017 \$'000	30 Jun 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

No dividend was declared or recommended during the period ended 30 June 2017 (2016: 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 second quarter ended 30 June 2017 to be false or misleading in any material aspect.

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

7 August 2017
Singapore