



G. K. GOH HOLDINGS LIMITED

Financial Statements

And Related Announcement

For Third Quarter Ended 30 September 2016

(Co. Reg. No. 199000184D)

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the 3rd Quarter

For the quarter ended 30 September, Group net profits amounted to S\$2.8 million (3Q15: S\$4.9 million) on revenue of S\$21.7 million (3Q15: S\$26.1 million). Total comprehensive income for the quarter was S\$13.1 million (3Q15: negative S\$7.5 million), of which S\$6.5 million was attributable to the 4% improvement in the Australian dollar relative to the Singapore dollar, net of our currency hedges. Marked-to-market gains on long-term investments added a further S\$4.1 million.

The Group's net asset value per share was S\$1.147 at the end of September, roughly the same as a year ago.

Opal Aged Care Group ("Opal") (48% associate) contributed S\$4.6 million to earnings (3Q15: S\$4.4 million), benefitting from an increase in available bed-spaces at its Australian residential aged care homes. Opal added 6% year-on-year to its capacity and ended the period with more than 6,000 residential aged care beds. Opal continues to operate at nearly 94% of capacity and its results have been broadly in line with our expectations.

Boardroom Ltd ("Boardroom") reported 3Q earnings of S\$1.4 million, 17% less than a year ago (3Q15: S\$1.7 million). Revenues were roughly unchanged in aggregate, with gains in Australia and Malaysia weighed down by the weak economy and slowing capital markets activity in Singapore.

G. K. Goh Financial Services (S) Pte Ltd ("GKGFS") continued to suffer from weak customer trading volumes, resulting in a net loss of S\$1.1 million for the quarter (3Q15 profit: S\$0.5 million).

The Group's investments made gains of S\$2.6 million in aggregate over the quarter (3Q15: S\$4.8 million). We increased our short-term investment portfolio over the quarter from S\$23.5 million to S\$34.0 million, with most of the increase coming towards the end of the period.

The Group was in a net current liability position at the end of this quarter. This came about because one of our long-term secured loans is maturing within the next 12 months. Negotiations are underway to refinance this loan, and the directors are confident that new terms will be agreed before the end of the year. Overall, the Group's net gearing is 32%.

After the quarter end, the Group's wholly-owned subsidiary Canistel Pte Ltd submitted the highest bid in the provisional tender results for a 30-year lease on a 4,000 sqm site zoned for nursing home development at Venus Drive, off Upper Thomson Road. We await the Housing & Development Board's decision to award us with the tender and will make further announcements when appropriate.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Results for the Nine Months

For the 9 months to September, Group net profits amounted to S\$5.7 million, 22% lower than a year ago (9M2015: S\$7.3 million).

Total comprehensive income was S\$13.4 million (9M2015: negative S\$17.5 million), with gains coming from unrealised marked-to-market valuations of long-term investments. There was relatively little currency impact over the 9-month period.

Opal contributed S\$13.4 million to Group profits, 40% more than a year ago (9M2015: S\$9.6 million). Focusing only on core earnings to exclude non-recurring items, the growth rates for revenue and earnings were 11% and 30% respectively.

Boardroom's net profits fell by 25% for the 9-month period to S\$3.8 million (9M2015: S\$5.1 million). Half of the difference resulted from S\$0.6 million of doubtful debts recognised. Revenues were slightly lower at S\$49.0 million (9M2015: S\$50.3 million), but cost pressures continued to stress operating margins, particularly in Singapore.

GKGFS suffered losses of S\$1.7 million (9M2015: profit of S\$0.2 million) because of reduced customer trading activity.

The Group's investments generated gains of S\$4.3 million (9M2015: S\$9.2 million).

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

The Group's operating businesses in aggregate are expected to remain profitable in the year ahead.

Opal will be affected by the announced changes in Australian government's aged care funding, but the impact on its profits will be progressively felt over time, and can be mitigated by management's efforts to improve business efficiency. We nevertheless expect Opal to continue to deliver a healthy rate of return on our investment cost.

Boardroom has gone through a period of consolidation and restructuring but improvement in its returns will hinge on better macroeconomic and capital markets conditions.

GKGFS has not seen much improvement in its business environment and is expected to report another loss in the fourth quarter.

The Group's investment returns in the near term will be affected by volatility in share prices. Shareholders should also expect the Group's comprehensive income to be affected by swings in the currencies of its key investment assets, in particular the Australian dollar.

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STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group			Group		
		3 months ended		+ / (-)	9 months ended		+ / (-)
		30 Sep 2016	30 Sep 2015		30 Sep 2016	30 Sep 2015	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue							
Corporate services revenue		16,714	16,878	(1)	49,019	50,256	(2)
Financial services revenue		829	3,514	(76)	3,843	8,775	(56)
Investment income		2,575	4,820	(47)	4,330	9,229	(53)
Other income		1,570	846	86	4,395	2,637	67
Total revenue		<u>21,688</u>	<u>26,058</u>	(17)	<u>61,587</u>	<u>70,897</u>	(13)
Cost and expenses							
Commission and broking expenses		(256)	(753)	(66)	(986)	(2,545)	(61)
Employees' compensation and related costs		(13,591)	(13,988)	(3)	(40,078)	(41,030)	(2)
Office and equipment rental costs		(1,802)	(1,515)	19	(5,258)	(4,483)	17
Depreciation and amortisation		(1,624)	(1,691)	(4)	(4,820)	(5,123)	(6)
Technology and information services costs		(912)	(852)	7	(2,231)	(2,386)	(6)
Loss on foreign currency exchange		(321)	(702)	(54)	(1,156)	(663)	74
Provision for doubtful debts		(61)	(995)	(94)	(585)	(2,014)	(71)
Other operating expenses		(2,934)	(2,948)	(0)	(9,555)	(8,927)	7
Total cost and expenses		<u>(21,501)</u>	<u>(23,444)</u>	(8)	<u>(64,669)</u>	<u>(67,171)</u>	(4)
Profit / (loss) from operating activities		187	2,614	(93)	(3,082)	3,726	NM
Finance costs		(1,496)	(1,557)	(4)	(4,527)	(4,742)	(5)
Share of profit of associates		4,756	4,295	11	14,118	9,709	45
Profit before taxation	B	3,447	5,352	(36)	6,509	8,693	(25)
Taxation	C	(630)	(413)	53	(821)	(1,382)	(41)
Profit for the period		2,817	4,939	(43)	5,688	7,311	(22)
Other comprehensive income							
Items that may be reclassified							
subsequently to profit or loss							
Net gain / (loss) on fair value changes of available-for-sale financial assets		4,054	(7,788)	NM	8,055	(15,011)	NM
Share of other comprehensive loss of associates		(279)	(919)	(70)	(1,985)	(556)	257
Net (loss) / gain on hedge of net investment		(1,795)	3,097	NM	186	7,193	(97)
Foreign currency translation		8,268	(6,786)	NM	1,460	(16,396)	NM
Other comprehensive income / (loss) for the period, net of tax		10,248	(12,396)	NM	7,716	(24,770)	NM
Total comprehensive income / (loss) for the period		13,065	(7,457)	NM	13,404	(17,459)	NM
Profit / (loss) attributable to:							
Owners of the Company		2,828	4,771	(41)	6,231	6,709	(7)
Non-controlling interests		(11)	168	NM	(543)	602	NM
		<u>2,817</u>	<u>4,939</u>	(43)	<u>5,688</u>	<u>7,311</u>	(22)
Total comprehensive income / (loss) attributable to:							
Owners of the Company		12,240	(7,061)	NM	13,656	(16,955)	NM
Non-controlling interests		825	(396)	NM	(252)	(504)	(50)
		<u>13,065</u>	<u>(7,457)</u>	NM	<u>13,404</u>	<u>(17,459)</u>	NM
NM : Not meaningful							
Earnings per share							
- Basic and diluted	E	0.87 cents	1.46 cents		1.91 cents	2.09 cents	

Financial Statements

BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group		Company	
		30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		17,703	17,582	-	-
Intangible assets		110,771	112,673	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	59,146	57,192
Associates		168,290	163,362	-	-
Long-term investments		219,373	200,776	5,702	5,702
Other long-term assets		15,196	14,543	-	-
Deferred tax assets		4,132	4,890	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	303,598	290,742
Trade debtors		26,629	31,140	-	-
Other debtors		10,150	7,116	418	25
Short-term investments		34,028	19,300	-	-
Cash and bank balances		121,993	111,375	1,205	1,006
		192,800	168,931	305,221	291,773
Current liabilities					
Amounts due to associates		4,448	4,054	-	-
Trade creditors		96,050	73,704	-	-
Other creditors		11,932	33,235	598	505
Bank borrowings	D	129,333	34,641	51,490	24,562
Provision for taxation		1,710	1,175	150	228
		243,473	146,809	52,238	25,295
Net current (liabilities) / assets		(50,673)	22,122	252,983	266,478
Non-current liabilities					
Bank borrowings	D	66,367	121,316	-	-
Provision for employee benefits		366	362	-	-
Deferred tax liabilities		17,627	19,196	1,239	1,167
Net assets		404,159	398,801	316,592	328,205
Equity attributable to Owners of the Company					
Share capital		191,987	191,987	191,987	191,987
Revenue reserve		169,716	176,552	124,468	136,081
Transactions with non-controlling interests		(7,078)	(6,911)	-	-
Capital reserve		137	207	137	137
Cash flow hedge reserve		(2,793)	(808)	-	-
Fair value adjustment reserve		40,603	32,548	-	-
Foreign currency translation reserve		(17,881)	(19,306)	-	-
		374,691	374,269	316,592	328,205
Non-controlling interests		29,468	24,532	-	-
Total equity		404,159	398,801	316,592	328,205

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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 2016	Attributable to Owners of the Company									
	Share Capital \$'000	Revenue Reserve \$'000	Transactions with Non-controlling Interests \$'000	Capital Reserve \$'000	Cash Flow Hedge Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Equity Attributable to Owners of the Company \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance at 1 July 2016	191,987	166,888	(7,023)	137	(2,514)	36,549	(23,518)	362,506	28,777	391,283
Profit / (loss) for the period	-	2,828	-	-	-	-	-	2,828	(11)	2,817
Other comprehensive income										
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	4,054	-	4,054	-	4,054
Share of other comprehensive loss of associates	-	-	-	-	(279)	-	-	(279)	-	(279)
Net loss on hedge of net investment	-	-	-	-	-	-	(1,795)	(1,795)	-	(1,795)
Foreign currency translation	-	-	-	-	-	-	7,432	7,432	836	8,268
Other comprehensive income for the period	-	-	-	-	(279)	4,054	5,637	9,412	836	10,248
Total comprehensive income for the period	-	2,828	-	-	(279)	4,054	5,637	12,240	825	13,065
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	(55)	-	-	-	-	(55)	(134)	(189)
Total changes in ownership interests in subsidiaries	-	-	(55)	-	-	-	-	(55)	(134)	(189)
Total transactions with Owners in their capacity as Owners	-	-	(55)	-	-	-	-	(55)	(134)	(189)
Balance at 30 September 2016	191,987	169,716	(7,078)	137	(2,793)	40,603	(17,881)	374,691	29,468	404,159

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Group 2015	Attributable to Owners of the Company									
	Share Capital \$'000	Revenue Reserve \$'000	Transactions with		Cash Flow Hedge Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Equity Attributable to Owners of the Company \$'000	Non- controlling Interests \$'000	Total Equity \$'000
			Non-controlling Interests \$'000	Capital Reserve \$'000						
Balance at 1 July 2015	191,987	165,633	(6,050)	207	655	41,361	(17,485)	376,308	27,676	403,984
Profit for the period	-	4,771	-	-	-	-	-	4,771	168	4,939
Other comprehensive income										
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	(7,788)	-	(7,788)	-	(7,788)
Share of other comprehensive (loss) / income of associates	-	-	-	-	(1,211)	292	-	(919)	-	(919)
Net gain on hedge of net investment	-	-	-	-	-	-	3,097	3,097	-	3,097
Foreign currency translation	-	-	-	24	-	-	(6,246)	(6,222)	(564)	(6,786)
Other comprehensive income / (loss) for the period	-	-	-	24	(1,211)	(7,496)	(3,149)	(11,832)	(564)	(12,396)
Total comprehensive income / (loss) for the period	-	4,771	-	24	(1,211)	(7,496)	(3,149)	(7,061)	(396)	(7,457)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	(5)	-	-	-	-	(5)	(18)	(23)
Total changes in ownership interests in subsidiaries	-	-	(5)	-	-	-	-	(5)	(18)	(23)
Total transactions with Owners in their capacity as Owners	-	-	(5)	-	-	-	-	(5)	(18)	(23)
Balance at 30 September 2015	191,987	170,404	(6,055)	231	(556)	33,865	(20,634)	369,242	27,262	396,504

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2016	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Balance at 1 July 2016	191,987	122,622	137	314,746
Profit for the period	-	1,846	-	1,846
Total comprehensive income for the period	-	1,846	-	1,846
Balance at 30 September 2016	191,987	124,468	137	316,592

Company 2015	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Balance at 1 July 2015	191,987	121,111	137	313,235
Profit for the period	-	5,388	-	5,388
Total comprehensive income for the period	-	5,388	-	5,388
Balance at 30 September 2015	191,987	126,499	137	318,623

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CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group	
	3 months ended	
	30 Sep 2016	30 Sep 2015
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	3,447	5,352
Adjustments for :-		
Depreciation and amortisation	1,624	1,691
Loss on disposal of property, plant and equipment	-	2
Finance costs	1,496	1,557
Interest income	(154)	(421)
Dividend income	(1,159)	(639)
Gain on sale of long-term investments	(13)	(4,179)
Provision for doubtful debts	61	995
Fair value adjustment	(1,019)	1,437
Share of profit of associates	(4,756)	(4,295)
Operating (loss) / profit before reinvestment in working capital	(473)	1,500
Increase in debtors	(6,821)	(11,265)
(Increase) / decrease in short-term investments	(9,473)	492
Increase in creditors	13,950	13,702
Cash flows (used in) / from operations	(2,817)	4,429
Interest paid	(1,431)	(1,508)
Interest received	163	421
Income tax paid	(35)	(541)
Net cash flows (used in) / from operating activities	(4,120)	2,801

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CONSOLIDATED CASH FLOW STATEMENT (Continued)

	Group	
	3 months ended	
	30 Sep 2016	30 Sep 2015
	\$'000	\$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(513)	(301)
Proceeds from disposal of property, plant and equipment	6	-
Purchase of intangible assets	(468)	(331)
Purchase of long-term investments	(6,417)	(5,225)
Proceeds from sale of long-term investments	3,530	20,576
Investments in associates	-	(5,034)
Dividend income received	1,566	570
Net cash flows (used in) / from investing activities	<u>(2,296)</u>	<u>10,255</u>
Cash flows from financing activities		
Acquisition of non-controlling interests	(189)	(23)
Proceeds from / (repayment of) bank borrowings	10,957	(8,971)
Net cash flows from / (used in) financing activities	<u>10,768</u>	<u>(8,994)</u>
Net increase in cash and cash equivalents	4,352	4,062
Effect of exchange rate changes in opening cash and cash equivalents	(1,519)	2,244
Cash and cash equivalents at beginning of period	119,160	114,863
Cash and cash equivalents at end of period	<u><u>121,993</u></u>	<u><u>121,169</u></u>

Cash and bank balances of the Group include fixed deposits of \$2,275,000 (2015: \$1,024,000) and other cash and bank balances of \$62,891,000 (2015: \$50,679,000) of a subsidiary company which are segregated under the Securities and Futures Act and represent funds deposited by and accruing to customers.

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NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2016

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the second quarter ended 30 September 2016, no (2015: Nil) shares were purchased or issued by the Company. The total number of issued shares as at 30 September 2016 was 326,686,537 (2015: 326,686,537). The Company did not hold any treasury shares as at 30 September 2016 and 2015.

B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group 3 months ended		Group 9 months ended	
	30 Sep 2016 \$'000	30 Sep 2015 \$'000	30 Sep 2016 \$'000	30 Sep 2015 \$'000
Corporate services revenue	16,714	16,878	49,019	50,256
Financial services revenue –				
Commission	230	377	700	852
Forex broking revenue	599	3,137	3,143	7,923
Investment income –				
Fair value adjustment for short-term investments	1,070	(3,118)	594	(3,287)
Fair value adjustment for long-term investments	(51)	1,681	(225)	3,004
Gain / (loss) on sale of short-term investments	230	1,018	160	3,281
Gain on sale of long-term investments	13	4,179	856	4,833
Dividend income	1,159	639	2,280	1,341
Interest income:				
- Bank deposits	82	55	294	219
- Others	72	366	371	1,037
Loss on disposal of associates	-	-	-	(1,207)
Other investment income	-	-	-	8
Other income –				
Deferred management fee income	1,245	518	2,914	1,531
Rental income	90	92	287	245
Finance costs –				
Interest expense -				
Bank loans and overdrafts	(1,493)	(1,554)	(4,496)	(4,736)
Others	(3)	(3)	(31)	(6)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group 3 months ended		Group 9 months ended	
	30 Sep 2016 \$'000	30 Sep 2015 \$'000	30 Sep 2016 \$'000	30 Sep 2015 \$'000
Current income tax				
Current year	(783)	(709)	(2,375)	(2,333)
(Under) / overprovision in respect of prior years	(3)	(22)	(157)	186
Deferred tax	156	318	1,711	765
	<u>(630)</u>	<u>(413)</u>	<u>(821)</u>	<u>(1,382)</u>

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	30 Sep 2016 \$'000	31 Dec 2015 \$'000	30 Sep 2016 \$'000	31 Dec 2015 \$'000
Amount due within one year	52,082	4,131	77,251	30,510
Amount due after one year	57,117	111,316	9,250	10,000
	<u>52,082</u>	<u>115,447</u>	<u>86,501</u>	<u>40,510</u>

E. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to Owners of \$2,828,000 (2015: loss of \$4,771,000) by the weighted average number of ordinary shares in issue during the period of 326,686,537 (2015: 326,686,537).

There were no outstanding share options as at 30 September 2016 and 2015.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Net asset value per share based on existing issued share capital as at the end of the respective period	114.69 cts	114.57 cts	96.91 cts	100.46 cts
	<u>114.69 cts</u>	<u>114.57 cts</u>	<u>96.91 cts</u>	<u>100.46 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"). 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 30 September 2016 (2015: 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 third quarter ended 30 September 2016 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

11 November 2016
Singapore