



G. K. GOH HOLDINGS LIMITED
Financial Statements
And Related Announcement
For Second Quarter Ended 30 June 2013

(Co. Reg. No. 199000184D)

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the 2nd Quarter

The Group's net profit for the June quarter amounted to S\$5.6 million (2Q2012: loss of S\$2.0 million), on revenues of S\$10.6 million (2Q2012: S\$2.8 million). Earnings per share for the quarter amounted to 1.78 cents (2Q2012: loss of 0.64 cents).

Gains in the fair value of our long-term investments boosted other comprehensive income to S\$2.9 million (2Q2012: loss of S\$6.5 million) which resulted in total comprehensive income of S\$8.5 million for the quarter (2Q2012: loss of S\$8.6 million).

The net tax credit of S\$1.0 million for the quarter primarily resulted from the tax effect on unrealized fair value losses on short-term investments.

Equity markets were extremely volatile in the 2nd quarter, largely on macroeconomic concerns which sparked large liquidity withdrawals from emerging markets in particular. Most Asian markets ended the quarter down with the exception of Japan. Our investments in Japan helped to cushion declines elsewhere, and we were fortunate in having reduced equity holdings in April and May. We ended the June quarter with investment gains (including dividend and interest income) of S\$4.9 million, compared to a loss of S\$1.6 million in the 2nd quarter of 2012.

G. K. Goh Financial Services (S) Pte Ltd ("GKGFS"), our futures and foreign exchange brokerage, made a modest profit of S\$0.2 million (2Q2012: loss of S\$0.1 million) on a broader customer base and with higher levels of activity in currency markets.

Our associates contributed in aggregate S\$1.5 million (2Q2012: S\$1.1 million) with improved profits from corporate services provider Boardroom Ltd, and an increased contribution from Value Monetization Ltd due to mark-to-market gains on its residual portfolio of listed investments. This was offset by a S\$0.3 million share of losses at Hong Kong financial services boutique, Platinum Holdings Company Ltd.

Results for the Six Months

For the six-month period to June, the Group made net profits of S\$11.8 million, 11% more than in the equivalent period in 2012. Earnings per share amounted to 3.75 cents. Total comprehensive income increased to S\$18.8 million, boosted largely by an increase in the value of our long-term investment in Eastern & Oriental Bhd.

For the first half, the bulk of profits were generated from investment returns, which totalled S\$13.3 million (1H2012: S\$5.9 million).

The net tax credit of S\$0.4 million was due to the tax effect on unrealized fair value losses on short-term investments.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Ahead of and into the steep decline in global markets in May, we substantially reduced our short-term investment portfolio from S\$89.1 million at the end of December to S\$64.4 million at the end of June. The increase in long-term investments to S\$189.6 million since the start of the year is mostly the result of an increase in the value of our holdings in Eastern & Oriental Bhd, along with incremental purchases which have raised our shareholding to 6.3% at the end of June.

The reductions in cash balances and trade creditors at the end of June reflect a decline in customer margin deposits at GKGFS. Excluding this impact, cash balances were roughly unchanged as the cash inflow from the reduction in short-term investments was offset by the payment of the annual dividend in May.

Net current assets amounted to S\$129.3 million at the end of June (Dec 2012: S\$138.7 million). Net assets amounted to S\$369.1 million, up from S\$362.9 million at the end of December. This translates into NAV of S\$1.168 (Dec 2012: S\$1.148).

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

In the near term, Group profitability will largely comprise returns from our portfolio of financial investments, the outcomes of which are difficult to predict in the near term. We expect our other businesses and associates to remain profitable in aggregate.

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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 2013 \$'000	30 Jun 2012 \$'000		30 Jun 2013 \$'000	30 Jun 2012 \$'000	
Continuing operations							
Revenue							
Commission and broking revenue		5,572	4,213	32	10,949	8,599	27
Investment income / (loss)		4,919	(1,582)	NM	13,325	5,913	125
Other income		106	124	(15)	349	242	44
Total revenue		<u>10,597</u>	<u>2,755</u>	285	<u>24,623</u>	<u>14,754</u>	67
Cost and expenses							
Commission and broking expenses		(3,129)	(2,071)	51	(6,553)	(4,361)	50
Employees' compensation and related costs		(2,483)	(1,745)	42	(5,252)	(4,904)	7
Office and equipment rental costs		(283)	(244)	16	(558)	(487)	15
Depreciation		(255)	(187)	36	(494)	(372)	33
Technology and information service costs		(533)	(508)	5	(1,013)	(995)	2
Gain on foreign currency exchange		182	66	176	480	3	15,900
Provision for doubtful debts		(139)	(124)	12	(283)	(175)	62
Other operating expenses		(713)	(994)	(28)	(1,354)	(1,583)	(14)
Total cost and expenses		<u>(7,353)</u>	<u>(5,807)</u>	27	<u>(15,027)</u>	<u>(12,874)</u>	17
Profit / (loss) from operating activities		3,244	(3,052)	NM	9,596	1,880	410
Finance costs		(112)	(112)	0	(231)	(230)	0
Share of profit of associates		1,496	1,077	39	2,030	9,840	(79)
Profit / (loss) before taxation	B	4,628	(2,087)	NM	11,395	11,490	(1)
Taxation	C	993	54	1,739	445	(818)	NM
Profit / (loss) for the period, attributable to Owners of the Company		<u>5,621</u>	<u>(2,033)</u>	NM	<u>11,840</u>	<u>10,672</u>	11
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		5,363	(6,157)	NM	9,154	(3,217)	NM
Share of other comprehensive loss of associates		(2,427)	(448)	442	(2,062)	(280)	636
Foreign currency translation		(53)	83	NM	(168)	(25)	572
Other comprehensive income / (loss) for the period, net of tax		<u>2,883</u>	<u>(6,522)</u>	NM	<u>6,924</u>	<u>(3,522)</u>	NM
Total comprehensive income / (loss) for the period, attributable to Owners of the Company		<u>8,504</u>	<u>(8,555)</u>	NM	<u>18,764</u>	<u>7,150</u>	162

NM: Not meaningful

Basic and diluted earnings per share

- continuing operations

E

1.78 cents (0.64) cents 3.75 cents 3.37 cents

Financial Statements

BALANCE SHEETS

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

	Note	Group		Company	
		30 Jun 2013 \$'000	31 Dec 2012 \$'000	30 Jun 2013 \$'000	31 Dec 2012 \$'000
Non-current assets					
Property, plant and equipment		1,907	1,550	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	40,231	38,501
Associates		44,135	42,399	5,688	5,688
Long-term investments		189,614	175,413	-	-
Deferred tax asset		304	875	-	-
Other receivables		1,000	1,000	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	227,681	248,194
Trade debtors		11,975	15,299	-	-
Other debtors		4,279	7,601	45	7
Short-term investments		64,368	89,062	-	-
Cash and bank balances		147,496	220,206	33,875	14,226
		228,118	332,168	261,601	262,427
Current liabilities					
Amounts due to associates		450	953	-	-
Trade creditors		78,117	172,643	-	-
Other creditors		5,953	6,245	267	520
Bank borrowings	D	12,888	12,659	6,434	6,980
Provision for taxation		1,438	957	1,270	628
		98,846	193,457	7,971	8,128
Net current assets		129,272	138,711	253,630	254,299
Non-current liabilities					
Deferred tax liability		893	730	628	465
Net assets		369,066	362,945	298,921	298,023
Equity					
Share capital		183,112	183,112	183,112	183,112
Capital reserve		137	137	137	137
Revenue reserve		171,021	172,378	115,672	114,774
Fair value adjustment reserve		21,425	12,728	-	-
Foreign currency translation reserve		(6,629)	(5,410)	-	-
Total equity		369,066	362,945	298,921	298,023

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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
	Share Capital	Revenue Reserve	Capital Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	
2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 April 2013	183,112	178,590	137	16,461	(5,095)	373,205
Profit for the period	-	5,621	-	-	-	5,621
<u>Other comprehensive income / (loss)</u>						
Net gain on fair value changes of available-for-sale financial assets	-	-	-	5,363	-	5,363
Share of other comprehensive (loss) / income of associates	-	(547)	-	(399)	(1,481)	(2,427)
Foreign currency translation	-	-	-	-	(53)	(53)
Other comprehensive income / (loss) for the period	-	(547)	-	4,964	(1,534)	2,883
Total comprehensive income / (loss) for the period	-	5,074	-	4,964	(1,534)	8,504
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares paid	-	(12,643)	-	-	-	(12,643)
Total transactions with owners in their capacity as owners	-	(12,643)	-	-	-	(12,643)
Closing balance at 30 June 2013	183,112	171,021	137	21,425	(6,629)	369,066

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STATEMENTS OF CHANGES IN EQUITY (Continued)

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	
2012						
Opening balance at 1 April 2012	183,112	185,620	137	10,435	(3,382)	375,922
Loss for the period	-	(2,033)	-	-	-	(2,033)
<u>Other comprehensive income / (loss)</u>						
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(6,157)	-	(6,157)
Share of other comprehensive (loss) / income of associates	-	(418)	-	78	(108)	(448)
Foreign currency translation	-	-	-	-	83	83
Other comprehensive loss for the period	-	(418)	-	(6,079)	(25)	(6,522)
Total comprehensive loss for the period	-	(2,451)	-	(6,079)	(25)	(8,555)
<u>Contributions by and distributions to owners</u>						
Change in equity share of associates	-	106	-	-	-	106
Shares re-purchased	-	(109)	-	-	-	(109)
Dividends on ordinary shares paid	-	(19,006)	-	-	-	(19,006)
Total transactions with owners in their capacity as owners	-	(19,009)	-	-	-	(19,009)
Closing balance at 30 June 2012	183,112	164,160	137	4,356	(3,407)	348,358

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2013	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 April 2013	183,112	117,184	137	300,433
Profit for the period	-	11,131	-	11,131
Total comprehensive income for the period	-	11,131	-	11,131
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares paid	-	(12,643)	-	(12,643)
Total transactions with owners in their capacity as owners	-	(12,643)	-	(12,643)
Closing balance at 30 June 2013	183,112	115,672	137	298,921

Company 2012	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 April 2012	183,112	83,413	137	266,662
Profit for the period	-	5,946	-	5,946
Total comprehensive income for the period	-	5,946	-	5,946
<u>Contributions by and distributions to owners</u>				
Shares re-purchased	-	(109)	-	(109)
Dividends on ordinary shares paid	-	(19,006)	-	(19,006)
Total transactions with owners in their capacity as owners	-	(19,115)	-	(19,115)
Closing balance at 30 June 2012	183,112	70,244	137	253,493

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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 2013	30 Jun 2012
	\$'000	\$'000
Cash flow from operating activities:		
Profit / (loss) before taxation	4,628	(2,087)
Adjustments for :-		
Depreciation of property, plant and equipment	255	187
Gain on disposal of investment property	-	(854)
Gain on disposal of associates	-	(5)
Finance costs	112	112
Interest income	(248)	(572)
Dividend income	(533)	(507)
Gain on sale of long-term investments	(1,541)	(949)
Provision of allowance for doubtful debts	139	124
Fair value adjustment	5,536	4,436
Share of profit of associates	(1,496)	(1,077)
Operating profit / (loss) before reinvestment in working capital	6,852	(1,192)
Decrease / (increase) in debtors	5,286	(15,516)
Decrease in short-term investments	10,959	1,791
(Decrease) / increase in creditors	(72,152)	76,440
Cash flow (used in) / from operations	(49,055)	61,523
Interest paid	(118)	(145)
Interest received	249	579
Income tax paid	-	(231)
Net cash (used in) / from operating activities	(48,924)	61,726

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CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

	Group	
	3 months ended	
	30 Jun 2013	30 Jun 2012
	\$'000	\$'000
Cash flow from investing activities:		
Purchase of property, plant and equipment	(259)	(308)
Purchase of long-term investments	(7,166)	(9,746)
Proceeds from sale of long-term investments	15,254	2,307
Net dividend received from associates	63	-
Dividend income	512	494
Net cash used in investing activities	<u>8,404</u>	<u>(6,089)</u>
Cash flow from financing activities:		
Dividends paid	(12,643)	(19,006)
Shares re-purchased	-	(109)
Repayment of bank borrowings	(5,652)	(3,229)
Net cash used in financing activities	<u>(18,295)</u>	<u>(22,344)</u>
Net (decrease) / increase in cash and cash equivalents	(58,815)	33,293
Effect of exchange rate changes in opening cash and cash equivalents	488	(74)
Cash and cash equivalents at beginning of period	205,823	184,694
Cash and cash equivalents at end of period	<u>147,496</u>	<u>217,913</u>

Cash and bank balances of the Group include fixed deposits of \$13,817,000 (2012: \$15,026,000) and other cash and bank balances of \$54,556,000 (2012: \$106,391,000) 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

30 JUNE 2013

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

A. SHARE CAPITAL

In the second quarter ended 30 June 2013, no (2012: 155,000) shares were purchased by the Company and no (2012: Nil) shares were issued in the same year. The total number of issued shares as at 30 June 2013 was 316,070,805 (2012: 316,613,805). The Company did not hold any treasury shares as at 30 June 2013 and 2012.

B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group 3 months ended		Group 6 months ended	
	30 Jun 2013 \$'000	30 Jun 2012 \$'000	30 Jun 2013 \$'000	30 Jun 2012 \$'000
Commission and broking revenue –				
Commission	174	134	309	247
Forex broking revenue	5,398	4,079	10,640	8,352
Investment income –				
Fair value adjustment for short-term investments	(6,237)	(2,932)	(3,228)	3,525
Fair value adjustment for long-term investments	701	(1,504)	710	(1,452)
Gain / (loss) on sale of short-term investments	8,133	(33)	12,781	754
Gain on sale of long-term investments	1,541	949	1,486	574
Gross dividend income :				
- Quoted investments	533	507	889	776
Interest income :				
- Fixed deposits	73	107	132	262
- Others	175	465	555	615
Gain on disposal of associates	-	5	-	5
Gain on disposal of investment property	-	854	-	854
Other income –				
Service income	16	24	28	24
Rental income	69	95	131	210
Gain on disposal of property, plant and equipment	-	-	157	-
Finance cost –				
Interest expense -				
Bank loans and overdrafts	(107)	(104)	(219)	(205)
Others	(5)	(8)	(12)	(25)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group 3 months ended		Group 6 months ended	
	30 Jun 2013 \$'000	30 Jun 2012 \$'000	30 Jun 2013 \$'000	30 Jun 2012 \$'000
Current taxation				
Current year	(193)	(460)	(318)	(588)
Over / (under) provision in respect of prior years	220	(1)	379	421
Deferred tax	966	515	384	(651)
	<u>993</u>	<u>54</u>	<u>445</u>	<u>(818)</u>

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	30 Jun 2013 \$'000	31 Dec 2012 \$'000	30 Jun 2013 \$'000	31 Dec 2012 \$'000
Amount due within one year	-	-	12,888	12,659
Amount due after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>12,888</u>	<u>12,659</u>

E. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to owners of \$5,621,000 (2012: loss of \$2,033,000) by the weighted average number of ordinary shares in issue during the period of 316,070,805 (2012: 316,717,138).

There were no outstanding share options as at 30 June 2013 and 2012.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
Net asset value per share based on existing issued share capital as at the end of the respective period	116.77 cts	114.83 cts	94.57 cts	94.29 cts
	<u>116.77 cts</u>	<u>114.83 cts</u>	<u>94.57 cts</u>	<u>94.29 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

	Group and Company 3 months ended	
	30 Jun 2013	30 Jun 2012
	\$'000	\$'000
Final dividends paid, 4.0 cents per ordinary share, one-tier tax exempt (2012: 2.0 cents per ordinary share)	12,643	6,335
Special dividends paid, Nil (2012: 4.0 cents per ordinary share, one-tier tax exempt)	-	12,671
	<u>12,643</u>	<u>19,006</u>

No dividend was declared or recommended during the period ended 30 June 2013 (2012: 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 second quarter ended 30 June 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary

14 August 2013
Singapore