



G. K. GOH HOLDINGS LIMITED

Financial Statements

And Related Announcement

For First Quarter Ended 31 March 2017

(Co. Reg. No. 199000184D)

TABLE OF CONTENTS

1.	REVIEW OF PERFORMANCE OF THE GROUP	2
2.	VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS	3
3.	COMMENTARY ON PROSPECTS	3
4.	STATEMENT OF COMPREHENSIVE INCOME	4
5.	BALANCE SHEETS	5
6.	STATEMENTS OF CHANGES IN EQUITY	6
7.	CONSOLIDATED CASH FLOW STATEMENT	9
8.	NOTES TO THE FINANCIAL STATEMENTS	
	A. SHARE CAPITAL	11
	B. REVENUE AND EXPENSES	11
	C. TAX	12
	D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS	12
	E. EARNINGS PER SHARE	12
	F. NET ASSET VALUE PER SHARE	12
	G. ACCOUNTING POLICIES	13
9.	DIVIDENDS	13
10.	AUDIT	13
11.	INTERESTED PERSON TRANSACTIONS	13
12.	CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)	13
13.	CONFIRMATION PURSUANT TO RULE 720(1)	13

REVIEW OF PERFORMANCE OF THE GROUP

Results for the 1st Quarter

For the first quarter of 2017, G. K. Goh Holdings Limited made net profits of S\$7.9 million from continuing operations, compared with S\$1.8 million in the first quarter of 2016. Including discontinued operations (G. K. Goh Financial Services (S) Pte Ltd (“GKGFS”), which was sold in February 2017), Group net profits were S\$7.5 million (1Q16: S\$1.6 million). Other Comprehensive Income for the quarter amounted to S\$14.5 million (1Q16: S\$5.5 million), bringing Total Comprehensive Income to S\$21.9 million (1Q16: S\$7.0 million).

Earnings per share for the first quarter amounted to 2.37 cents (1Q16: 0.55 cents). The Group’s net asset value per share rose from S\$1.189 at the end of 2016 to S\$1.256 at the end of March.

Our operating subsidiaries and associates reported improvements in earnings. Boardroom Ltd’s revenues rose by 3% year-on-year, generating net profits of S\$0.9 million (1Q16: S\$0.6 million). Opal Aged Care Group, our Australian associate, contributed S\$5.6 million to net profits (1Q16: S\$4.1 million) despite headwinds from government policy changes.

Our investment portfolio had a good quarter. In part, this was a reflection of stronger equity markets, but we also benefitted from a successful exit by one of our private equity funds. Our investment in Eastern and Oriental Bhd rose by 33% in local currency terms, and the resultant S\$11.4 million improvement was reflected under Other Comprehensive Income.

We also recorded profits of S\$2.8 million from our investment in Habitat Assets Pte Ltd (“Habitat”), a fund investing in Australian retirement village assets. As we had seeded the fund’s launch, we held a majority of the issued shares in Habitat until the end of March. Following the entry of additional investors into the fund, our stake in Habitat has dropped from 55% to 38%, and from the second quarter, Habitat will be accounted for as an associate rather than as a subsidiary. Under the accounting standards, the dilution of interest is regarded as a disposal of Habitat as a subsidiary and a subsequent acquisition as an associate. The Group recorded a gain of S\$2.8 million from the disposal.

During the quarter, we received the proceeds from the sale of GKGFS (S\$12.5 million), and also paid for the land parcel at Venus Drive, Singapore where we will be building a residential aged care facility (S\$24.3 million). Overall, the Group’s net gearing was roughly stable at 29%.

The Group was in a net current liability position at the end of this quarter. This came about because some of our long-term investments are financed by short-term bank loans. Negotiations are underway to refinance these loans with long-term loans, and we expect this to be completed before the end of June.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

The Group derives its profits from a combination of operating businesses and investment income. Barring unforeseen circumstances, our operating businesses should continue to operate at satisfactory levels of profitability. We believe our investment portfolio will deliver good returns over the long term, but short-term fluctuations and their impact on reported profits are difficult to predict.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group		+ / (-) %
		3 months ended		
		31 Mar 2017	31 Mar 2016	
		\$'000	\$'000	
		(reclassified)		
CONTINUING OPERATIONS				
Revenue				
Corporate services revenue		15,216	14,819	3
Investment income		8,360	874	857
Other income		1,994	1,283	55
Total revenue		25,570	16,976	51
Cost and expenses				
Employees' compensation and related costs		(15,348)	(11,826)	30
Office and equipment rental costs		(1,776)	(1,532)	16
Depreciation and amortisation		(1,674)	(1,595)	5
Technology and information services costs		(188)	(293)	(36)
Gain on foreign currency exchange		788	78	910
Provision for doubtful debts		(197)	(106)	86
Other operating expenses		(2,834)	(3,072)	(8)
Total cost and expenses		(21,229)	(18,346)	16
Profit / (loss) from operating activities		4,341	(1,370)	NM
Finance costs		(1,491)	(1,453)	3
Share of profit of associates		5,549	4,414	26
Profit before tax from continuing operations	B	8,399	1,591	428
Taxation	C	(521)	214	NM
Profit from continuing operations, net of tax		7,878	1,805	336
DISCONTINUED OPERATIONS				
Loss from discontinued operations, net of tax		(407)	(230)	77
Profit for the period		7,471	1,575	374
Other comprehensive income / (loss)				
Items that may be reclassified				
subsequently to profit or loss				
Net gain on fair value changes of available-for-sale financial assets				
- fair value gain		12,706	6,368	100
- transferred to profit or loss on disposal		(1,497)	(227)	559
Share of other comprehensive loss of associates		(295)	(808)	(63)
Net (loss) / gain on hedge of net investment		(1,219)	359	NM
Foreign currency translation		4,770	(223)	NM
Other comprehensive income for the period, net of tax		14,465	5,469	164
Total comprehensive income for the period		21,936	7,044	211
Profit / (loss) attributable to:				
Owners of the Company				
- Profit from continuing operations		8,157	2,035	301
- Loss from discontinued operations		(407)	(230)	77
Non-controlling interests		(279)	(230)	21
		7,471	1,575	374
Total comprehensive income / (loss) attributable to:				
Owners of the Company				
- Total comprehensive income from continuing operations		22,156	7,633	190
- Total comprehensive loss from discontinued operations		(407)	(230)	77
Non-controlling interests		187	(359)	NM
		21,936	7,044	211
NM: Not meaningful				
Earnings per share (basic and diluted)				
- from continuing operations	E	2.49 cents	0.70 cents	
- from discontinued operations		(0.12) cents	(0.15) cents	
- total		2.37 cents	0.55 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	
		31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		27,295	17,712	-	-
Intangible assets		97,230	110,419	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	64,073	72,802
Associates		219,242	184,073	-	-
Long-term investments		210,323	212,705	5,821	5,802
Other long-term assets		604	15,983	-	-
Deferred tax assets		4,175	5,770	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	295,507	301,240
Assets of disposal group classified as held for sale		-	89,445	-	-
Trade debtors		13,702	15,469	-	-
Other debtors		3,861	15,705	593	403
Short-term investments		34,941	35,097	-	-
Cash and bank balances		32,147	36,032	2,725	1,263
		84,651	191,748	298,825	302,906
Current liabilities					
Liabilities of disposal group classified as held for sale		-	73,718	-	-
Amounts due to associates		-	2	-	-
Trade creditors		8,993	9,166	-	-
Other creditors		10,885	14,991	1,100	684
Bank borrowings	D	77,027	90,108	38,807	52,478
Provision for taxation		804	1,588	211	188
		97,709	189,573	40,118	53,350
Net current (liabilities) / assets		(13,058)	2,175	258,707	249,556
Non-current liabilities					
Bank borrowings	D	111,180	104,909	-	-
Amounts due to associates		-	4,046	-	-
Provision for employee benefits		338	352	-	-
Deferred tax liabilities		15,939	24,569	1,352	1,361
Net assets		<u>422,081</u>	<u>418,688</u>	<u>327,249</u>	<u>326,799</u>
Equity attributable to Owners of the Company					
Share capital		191,987	191,987	191,987	191,987
Revenue reserve		203,249	193,469	135,008	134,575
Transactions with non-controlling interests		(9,139)	(7,097)	-	-
Capital reserve		137	137	137	137
Cash flow hedge reserve		(1,090)	(795)	-	-
Fair value adjustment reserve		38,233	27,024	117	100
Foreign currency translation reserve		(13,141)	(16,226)	-	-
		410,236	388,499	327,249	326,799
Non-controlling interests		11,845	30,189	-	-
Total equity		<u>422,081</u>	<u>418,688</u>	<u>327,249</u>	<u>326,799</u>

Financial Statements

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Group 2017	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 January 2017	191,987	193,469	(7,097)	137	(795)	27,024	(16,226)	388,499	30,189	418,688
Profit / (loss) for the period	-	7,750	-	-	-	-	-	7,750	(279)	7,471
Other comprehensive income / (loss)										
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	11,209	-	11,209	-	11,209
Share of other comprehensive loss of associates	-	-	-	-	(295)	-	-	(295)	-	(295)
Net loss on hedge of net investment	-	-	-	-	-	-	(1,219)	(1,219)	-	(1,219)
Foreign currency translation	-	-	-	-	-	-	4,304	4,304	466	4,770
Other comprehensive income / (loss) for the period	-	-	-	-	(295)	11,209	3,085	13,999	466	14,465
Total comprehensive income / (loss) for the period	-	7,750	-	-	(295)	11,209	3,085	21,749	187	21,936
Changes in ownership interests in subsidiaries										
Disposal of subsidiary	-	2,030	(2,030)	-	-	-	-	-	(18,488)	(18,488)
Acquisition of non-controlling interests without a change in control	-	-	(12)	-	-	-	-	(12)	(43)	(55)
Total changes in ownership interests in subsidiaries	-	2,030	(2,042)	-	-	-	-	(12)	(18,531)	(18,543)
Total transactions with Owners in their capacity as Owners	-	2,030	(2,042)	-	-	-	-	(12)	(18,531)	(18,543)
Balance at 31 March 2017	191,987	203,249	(9,139)	137	(1,090)	38,233	(13,141)	410,236	11,845	422,081

Financial Statements

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 January 2016	191,987	176,552	(6,911)	207	(808)	32,548	(19,306)	374,269	24,532	398,801
Profit / (loss) for the period	-	1,805	-	-	-	-	-	1,805	(230)	1,575
Other comprehensive income / (loss)										
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	6,141	-	6,141	-	6,141
Share of other comprehensive loss of associates	-	-	-	-	(808)	-	-	(808)	-	(808)
Net gain on hedge of net investment	-	-	-	-	-	-	359	359	-	359
Foreign currency translation	-	-	-	2	-	-	(96)	(94)	(129)	(223)
Other comprehensive income / (loss) for the period	-	-	-	2	(808)	6,141	263	5,598	(129)	5,469
Total comprehensive income / (loss) for the period	-	1,805	-	2	(808)	6,141	263	7,403	(359)	7,044
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests w without a change in control	-	-	(45)	-	-	-	-	(45)	(149)	(194)
Total changes in ownership interests in subsidiaries	-	-	(45)	-	-	-	-	(45)	(149)	(194)
Total transactions with Owners in their capacity as Owners	-	-	(45)	-	-	-	-	(45)	(149)	(194)
Balance at 31 March 2016	191,987	178,357	(6,956)	209	(1,616)	38,689	(19,043)	381,627	24,024	405,651

Financial Statements

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 January 2017	191,987	134,575	137	100	326,799
Profit for the period	-	433	-	-	433
Other comprehensive income					
Net gain on fair value changes of available-for-sale financial assets	-	-	-	17	17
Total comprehensive income for the period	-	433	-	17	450
Balance at 31 March 2017	191,987	135,008	137	117	327,249

Company 2016	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Fair Value Adjustment Reserve \$'000	Total Equity \$'000
Balance at 1 January 2016	191,987	136,081	137	-	328,205
Loss for the period	-	(1,466)	-	-	(1,466)
Total comprehensive income for the period	-	(1,466)	-	-	(1,466)
Balance at 31 March 2016	191,987	134,615	137	-	326,739

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group	
	3 months ended	
	31 Mar 2017	31 Mar 2016
	\$'000	\$'000
		(reclassified)
Cash flows from operating activities		
Profit before tax from continuing operations	8,399	1,591
Loss before tax from discontinued operations	(407)	(230)
Profit before tax, total	<u>7,992</u>	<u>1,361</u>
Adjustments for :-		
Depreciation and amortisation	1,681	1,621
Gain on disposal of subsidiary	(2,817)	-
Finance costs	1,491	1,453
Interest income	(137)	(182)
Dividend income	(1,122)	(538)
Gain on sale of long-term investments	(2,585)	(659)
Provision for doubtful debts	197	106
Fair value adjustment	(1,406)	291
Share of profit of associates	(5,549)	(4,414)
Operating loss before reinvestment in working capital	<u>(2,255)</u>	<u>(961)</u>
Increase in debtors	3,708	12,634
Decrease / (increase) in short-term investments	1,499	(5,156)
Decrease in creditors	(2,273)	(8,580)
Cash flows from / (used in) operations	<u>679</u>	<u>(2,063)</u>
Interest paid	(1,283)	(1,233)
Interest received	117	163
Income tax paid	(271)	(990)
Net cash flows used in operating activities	<u>(758)</u>	<u>(4,123)</u>

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT (Continued)

	Group	
	3 months ended	
	31 Mar 2017	31 Mar 2016
	\$'000	\$'000
		(reclassified)
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,483)	(173)
Proceeds from disposal of property, plant and equipment	-	4
Purchase of intangible assets	(405)	(610)
Purchase of long-term investments	(2,878)	(12,577)
Proceeds from sale of long-term investments	8,807	3,634
Disposal of subsidiaries, net of cash	(37,683)	-
Investment in associate	(26,265)	-
Dividend income received	1,057	472
Net cash flows used in investing activities	<u>(82,850)</u>	<u>(9,250)</u>
Cash flows from financing activities		
Acquisition of non-controlling interests	(55)	(194)
Proceeds from bank borrowings	3,889	10,238
Net cash flows from financing activities	<u>3,834</u>	<u>10,044</u>
Net decrease in cash and cash equivalents	(79,774)	(3,329)
Effect of exchange rate changes in opening cash and cash equivalents	(1,533)	327
Cash and cash equivalents at beginning of period	113,454	111,375
Cash and cash equivalents at end of period	<u><u>32,147</u></u>	<u><u>108,373</u></u>

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2017

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the first quarter ended 31 March 2017, no (2016: Nil) shares were purchased or issued by the Company. The total number of issued shares as at 31 March 2017 was 326,686,537 (2016: 326,686,537). There were no treasury shares or subsidiary holdings as at 31 March 2017 and 2016.

B. REVENUE AND EXPENSES

Profit before tax includes the following:

	Group 3 months ended	
	31 Mar 2017 \$'000	31 Mar 2016 \$'000 (reclassified)
Corporate services revenue	15,216	14,819
Investment income –		
Fair value adjustment for short-term investments	1,343	(310)
Fair value adjustment for long-term investments	63	19
Gain / (loss) on sale of short-term investments	293	(214)
Gain on sale of long-term investments	2,585	659
Dividend income	1,122	538
Interest income:		
- Bank deposits	129	89
- Others	8	93
Gain on disposal of subsidiary	2,817	-
Other income –		
Deferred management fee income	1,263	619
Rental income	182	96
Finance costs –		
Interest expense -		
Bank loans and overdrafts	(1,438)	(1,449)
Others	(53)	(4)

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group 3 months ended	
	31 Mar 2017 \$'000	31 Mar 2016 \$'000
Current income tax		
Current year	(533)	(491)
Overprovision in respect of prior years	-	10
Deferred tax	12	695
	<u>(521)</u>	<u>214</u>

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	31 Mar 2017 \$'000	31 Dec 2016 \$'000	31 Mar 2017 \$'000	31 Dec 2016 \$'000
Amount due within one year	12,207	12,106	64,820	78,002
Amount due after one year	102,680	96,409	8,500	8,500
	<u>114,887</u>	<u>108,515</u>	<u>73,320</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 \$7,750,000 (2016: \$1,805,000) 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 31 March 2017 and 2016.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Net asset value per share based on existing issued share capital as at the end of the respective period	125.57 cts	118.92 cts	100.17 cts	100.03 cts
	<u>125.57 cts</u>	<u>118.92 cts</u>	<u>100.17 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

No dividend was declared or recommended during the period ended 31 March 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 first quarter ended 31 March 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

12 May 2017
Singapore