



G. K. GOH HOLDINGS LIMITED

Financial Statements

And Related Announcement

For Third Quarter Ended 30 September 2014

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the 3rd Quarter

For the 3 months to September 2014, the Group recorded total comprehensive income attributable to shareholders of S\$3.1 million (3Q13: loss of S\$3.1 million). This includes S\$9.3 million of fair value gains in available-for-sale financial assets (mainly long-term equity investments), a net loss of S\$5.9 million of foreign currency movements (primarily from the weaker Australian dollar, and a small loss of S\$0.3 million from operations. The Group is exposed to volatility in the Australian dollar as only a part of our Australian asset exposures is hedged.

The results for the current quarter include the consolidation of Boardroom Ltd which became a 81%-owned subsidiary in March 2014; in 2013 it was a 33%-owned associate. Consequently, the Group's revenues and costs for the recent quarter cannot be directly compared to the year-ago numbers. In addition, the 3Q13 figures do not include any impact from our associate stake in Opal Aged Care (formerly called Domain Principal Group) which was acquired in October 2013. We will try to provide greater clarity on the performance of the Group through a discussion of each business line.

Boardroom has reported its results separately and more details can be gleaned from its quarterly announcement (www.boardroomlimited.com). In summary, Boardroom saw a 19% year-on-year revenue growth, primarily due to growth in its share registry and payroll outsourcing business; corporate secretarial revenues were flat. Despite 11% higher staff costs and increases in other expenses, net profits rose by 95% year-on-year to S\$1.9 million. However, its total comprehensive income declined from S\$0.9 million to a marginal loss because of a S\$2.0 million translation loss resulting from the relatively weaker Australian dollar.

G. K. Goh Financial Services (S) Pte Ltd ("GKGFS") reduced its losses to S\$0.5 million, from S\$1.2 million in the 2nd quarter. Revenues improved from S\$1.5 million to S\$2.3 million. Management has cut overheads and grown new business lines, and GKGFS returned to breakeven levels in September.

The Group's financial investments returned a small loss of S\$0.2 million for the quarter (3Q13: profit of S\$4.4 million) as a result of a weak phase in Asian equity markets. The short-term investment portfolio has also been significantly reduced by about 40% from the end of last year, partly to fund the increase in long-term and strategic investments.

Our Australian associate, Opal Aged Care, continued to perform steadily with a contribution of S\$2.8 million in this quarter. This number is lower than the two previous quarters largely due to the non-recurring items recorded in those quarters and the discontinuation of the Dementia Supplement by the Australian government as of 1 August 2014.

Opal completed its acquisition of the Aevum portfolio from Stockland on 21 July 2014 and successfully integrated an additional 366 beds into its fold. The average year-to-date occupancy rate was at 92% inclusive of the Aevum portfolio, and we expect Opal to continue to grow at a steady pace.

Other associates, in aggregate, contributed losses of around S\$0.2 million.

Results for the 9 Months to September

The Group's net assets attributable to shareholders have risen by 4.7% since the end of 2013 to S\$391.6 million, or S\$1.2388 per share. Including the 4 cents dividend paid earlier in the year, the Group's net assets had grown 8.1% in the 9 months to September.

For reasons explained earlier, year-on-year comparisons for revenues and expenses are not meaningful. In aggregate, net profits attributable to shareholders for the 9 months to September amounted to S\$4.5 million (9M13: S\$12.7 million). This translates to earnings per share of 1.43 cents (9M13: 4.00 cents).

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

The results in 2013 benefitted from S\$17.7 million of gains in investment and interest income. Investment returns have been lower in the current year, amounting to S\$1.8 million. This was both a function of weak or lacklustre Asian equity markets, and of a 40% reduction in our short-term investment portfolio as we redeployed cash into Opal and Boardroom.

However, other comprehensive income rose sharply to S\$25.7 million (9M13: S\$3.0 million) largely because of Eastern and Oriental Bhd ("E&O"), in which we have a 6.2% stake. E&O announced in June that it had secured all the necessary approvals to proceed with the massive 760 acre Seri Tanjung Pinang Phase 2 project in Penang, after many years of uncertainty.

Foreign exchange volatility had less of an impact over the 9 months than for the 3 months to September, with translation losses offsetting hedging gains by S\$1.7 million. Total comprehensive income attributable to shareholders therefore amounted to S\$30.4 million (9M13: S\$15.7 million).

Boardroom contributed S\$5.6 million for the 9 months to September. Opal contributed S\$12.7 million. As mentioned previously, non-recurring items boosted contributions in the first two quarters of the year, while the 3rd quarter numbers better reflect the underlying earnings of Opal's businesses.

GKGFS had a cumulative loss of S\$2.4 million for the 9 months to September (3Q13: loss of S\$0.7 million) but with losses significantly reduced by the third quarter.

The investments in Opal and Boardroom were funded partly through loans, and the Group's finance costs consequently rose to S\$4.6 million year-to-date. Total long and short-term borrowings stand at S\$184.3 million (Dec13: S\$96.8 million), resulting from the general offer for Boardroom which concluded in March, and from the consolidation of Boardroom's debt. The Group's gearing now stands at 29%.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

Contributions from Opal and Boardroom are expected to be stable while losses at GKGFS should be reduced. Investment income however will remain unpredictable. Volatility in the Australian dollar may have an impact on reported earnings.

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STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group 3 months ended			Group 9 months ended		
		30 Sep 2014	30 Sep 2013	+ / (-)	30 Sep 2014	30 Sep 2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Continuing operations							
Revenue							
Corporate services revenue		17,109	-	NM	40,381	-	NM
Financial services revenue		2,229	3,129	(29)	6,057	14,078	(57)
Investment income		(247)	4,357	NM	1,814	17,682	(90)
Other income		786	99	694	1,270	448	183
Total revenue		<u>19,877</u>	<u>7,585</u>	162	<u>49,522</u>	<u>32,208</u>	54
Cost and expenses							
Commission and broking expenses		(750)	(2,039)	(63)	(2,619)	(8,592)	(70)
Employees' compensation and related costs		(12,735)	(2,724)	368	(30,348)	(7,976)	280
Office and equipment rental costs		(1,492)	(286)	422	(3,652)	(844)	333
Depreciation and amortization		(1,013)	(290)	249	(2,648)	(784)	238
Technology and information service costs		(897)	(473)	90	(2,562)	(1,486)	72
Gain / (loss) on foreign currency exchange		619	(267)	NM	(28)	213	NM
Provision for doubtful debts		(436)	(100)	336	(776)	(383)	103
Other operating expenses		(3,264)	(675)	384	(6,655)	(2,029)	228
Total cost and expenses		<u>(19,968)</u>	<u>(6,854)</u>	191	<u>(49,288)</u>	<u>(21,881)</u>	125
(Loss) / profit from operating activities		(91)	731	NM	234	10,327	(98)
Finance costs		(1,718)	(77)	2,131	(4,648)	(308)	1,409
Share of profit of associates		2,592	356	628	11,521	2,386	383
Profit before taxation	B	783	1,010	(22)	7,107	12,405	(43)
Taxation	C	(657)	(197)	234	(1,496)	248	NM
Profit for the period		126	813	(85)	5,611	12,653	(56)
Other comprehensive income							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Net gain / (loss) on fair value changes of available-for-sale financial assets		9,306	(3,284)	NM	24,290	5,870	314
Share of other comprehensive (loss) / income of associates		-	(391)	NM	3,127	(2,453)	NM
Net gain on hedge on net investment		4,776	-	NM	1,063	-	NM
Foreign currency translation		(11,011)	(205)	5,271	(2,737)	(373)	634
Other comprehensive income / (loss) for the period, net of tax		3,071	(3,880)	NM	25,743	3,044	746
Total comprehensive income / (loss) for the period		3,197	(3,067)	NM	31,354	15,697	100
(Loss) / profit attributable to:							
Owners of the Company		(298)	813	NM	4,508	12,653	(64)
Non-controlling interests		424	-	NM	1,103	-	NM
		<u>126</u>	<u>813</u>	(85)	<u>5,611</u>	<u>12,653</u>	(56)
Total comprehensive income / (loss) attributable to:							
Owners of the Company		3,146	(3,067)	NM	30,378	15,697	94
Non-controlling interests		51	-	NM	976	-	NM
		<u>3,197</u>	<u>(3,067)</u>	NM	<u>31,354</u>	<u>15,697</u>	100

NM : Not meaningful

Basic and diluted earnings per share - continuing operations

F

(0.09) cents 0.26 cents 1.43 cents 4.00 cents

Financial Statements

BALANCE SHEETS

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

	Note	Group		Company	
		30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		18,548	1,724	-	-
Investment properties		3,727	3,727	-	-
Intangible assets	D	105,949	-	-	-
Subsidiaries		-	-	44,316	43,784
Associates		180,242	208,081	5,688	5,688
Long-term investments		208,417	171,629	-	-
Deferred tax asset		1,015	-	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	281,110	263,601
Trade debtors		22,808	7,954	-	-
Other debtors		7,237	5,444	52	10
Short-term investments		34,017	56,962	-	-
Cash and bank balances		96,063	83,292	694	833
		160,125	153,652	281,856	264,444
Current liabilities					
Amounts due to associates		-	476	-	-
Trade creditors		69,549	58,846	-	-
Other creditors		9,356	7,005	396	423
Bank borrowings	E	56,063	20,143	30,259	6,204
Provision for taxation		2,065	693	249	532
		137,033	87,163	30,904	7,159
Net current assets		23,092	66,489	250,952	257,285
Non-current liabilities					
Bank borrowings	E	128,253	76,708	-	-
Provision for non-current employee benefits		463	-	-	-
Deferred tax liability		7,998	1,120	877	767
Net assets		404,276	373,822	300,079	305,990
Equity					
Share capital		183,112	183,112	183,112	183,112
Capital reserve		150	137	137	137
Revenue reserve		172,666	180,803	116,830	122,741
Fair value adjustment reserve		45,763	20,960	-	-
Foreign currency translation reserve		(10,134)	(11,190)	-	-
		391,557	373,822	300,079	305,990
Non-controlling interests		12,719	-	-	-
Total equity		404,276	373,822	300,079	305,990

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STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Group 2014	Attributable to Owners of the Company							Non- controlling Interests	Total Equity
	Share Capital	Revenue Reserve	Capital Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Equity Attributable to Owners of the Company			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Opening balance at 1 July 2014	183,112	172,964	108	36,457	(4,230)	388,411	12,668	401,079	
(Loss) / profit for the period	-	(298)	-	-	-	(298)	424	126	
Other comprehensive income									
Net gain on fair value changes of available-for-sale financial assets	-	-	-	9,306	-	9,306	-	9,306	
Net gain on hedge on net investment	-	-	-	-	4,776	4,776	-	4,776	
Foreign currency translation	-	-	42	-	(10,680)	(10,638)	(373)	(11,011)	
Other comprehensive income for the period	-	-	42	9,306	(5,904)	3,444	(373)	3,071	
Total comprehensive income for the period	-	(298)	42	9,306	(5,904)	3,146	51	3,197	
Closing balance at 30 September 2014	183,112	172,666	150	45,763	(10,134)	391,557	12,719	404,276	

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STATEMENTS OF CHANGES IN EQUITY (Continued)

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 July 2013	183,112	171,021	137	21,425	(6,629)	369,066
Profit for the period	-	813	-	-	-	813
Other comprehensive income						
Net gain on fair value changes of available-for-sale financial assets	-	-	-	(3,284)	-	(3,284)
Share of other comprehensive loss of associates	-	(53)	-	(297)	(41)	(391)
Foreign currency translation	-	-	-	-	(205)	(205)
Other comprehensive income for the period	-	(53)	-	(3,581)	(246)	(3,880)
Total comprehensive income for the period	-	760	-	(3,581)	(246)	(3,067)
Closing balance at 30 September 2013	183,112	171,781	137	17,844	(6,875)	365,999

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STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2014	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 July 2014	183,112	114,251	137	297,500
Profit for the period	-	2,579	-	2,579
Total comprehensive income for the period	-	2,579	-	2,579
Closing balance at 30 September 2014	183,112	116,830	137	300,079

Company 2013	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Opening balance at 1 July 2013	183,112	115,672	137	298,921
Profit for the period	-	2,266	-	2,266
Total comprehensive income for the period	-	2,266	-	2,266
Closing balance at 30 September 2013	183,112	117,938	137	301,187

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CONSOLIDATED STATEMENT OF CASH FLOW

(Amounts in Singapore dollars)

(These figures have not been audited)

	Group	
	3 months ended	
	30 Sep 2014	30 Sep 2013
	\$'000	\$'000
Cash flow from operating activities:		
Profit before taxation	783	1,010
Adjustments for :-		
Depreciation and amortization	1,013	290
Finance costs	1,718	77
Interest income	(206)	(337)
Dividend income	(755)	(312)
Loss on sale of long-term investments	-	(2,907)
Provision of allowance for doubtful debts	436	100
Fair value adjustment	3,027	113
Share of profit of associates	(2,592)	(356)
Operating profit / (loss) before reinvestment in working capital	3,424	(2,322)
Increase in debtors	(3,181)	(1,464)
Decrease in short-term investments	4,462	10,466
Decrease in creditors	(27,634)	(37,113)
Cash flow used in operations	(22,929)	(30,433)
Interest paid	(2,186)	(81)
Interest received	210	345
Income tax paid	(724)	-
Net cash used in operating activities	(25,629)	(30,169)

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CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

	Group 3 months ended	
	30 Sep 2014 \$'000	30 Sep 2013 \$'000
Cash flow from investing activities:		
Purchase of property, plant and equipment	(15,306)	(360)
Purchase of intangible assets	(491)	-
Purchase of long-term investments	(4,682)	(1,740)
Proceeds from sale of long-term investments	3,055	36,604
Investment in associates	(1,389)	-
Net dividend received from associates	3,398	-
Dividend income	679	309
Net cash (used in) / from investing activities	(14,736)	34,813
Cash flow from financing activities:		
Proceeds from / (repayment of) bank borrowings	10,488	(4,221)
Net cash from / (used in) financing activities	10,488	(4,221)
Net (decrease) / increase in cash and cash equivalents	(29,877)	423
Effect of exchange rate changes in opening cash and cash equivalents	4,644	(146)
Cash and cash equivalents at beginning of period	121,296	147,496
Cash and cash equivalents at end of period	96,063	147,773

Cash and bank balances of the Group include fixed deposits of \$1,020,000 (2013: \$13,818,000) and other cash and bank balances of \$39,423,000 (2013: \$27,363,000) of a subsidiary company which are segregated under the Securities and Futures Act 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 SEPTEMBER 2014

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the third quarter ended 30 September 2014, no (2013: Nil) shares were purchased or issued by the Company. The total number of issued shares as at 30 September 2014 was 316,070,805 (2013: 316,070,805). The Company did not hold any treasury shares as at 30 September 2014 and 2013.

B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group 3 months ended		Group 9 months ended	
	30 Sep 2014 \$'000	30 Sep 2013 \$'000	30 Sep 2014 \$'000	30 Sep 2013 \$'000
Corporate services revenue	17,109	-	40,381	-
Financial services revenue –				
Commission	99	80	238	389
Forex broking revenue	2,130	3,049	5,819	13,689
Investment income –				
Fair value adjustment for short-term investments	(3,027)	(1,524)	(4,168)	(4,752)
Fair value adjustment for long-term investments	-	1,411	750	2,121
Gain on sale of short-term investments	1,778	914	2,283	13,695
Gain / (loss) on sale of long-term investments	-	2,907	(271)	4,393
Dividend income	755	312	2,381	1,201
Interest income :				
- Fixed deposits	42	67	111	199
- Others	164	270	463	825
Loss on disposal of associates	-	-	(14)	-
Other investment income	41	-	279	-
Other income –				
Service income	15	27	51	55
Rental income	57	56	168	187
Gain on disposal of property, plant and equipment	-	-	5	157
Finance cost –				
Interest expense -				
Bank loans and overdrafts	(1,682)	(76)	(4,607)	(295)
Others	(36)	(1)	(41)	(13)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group 3 months ended		Group 9 months ended	
	30 Sep 2014 \$'000	30 Sep 2013 \$'000	30 Sep 2014 \$'000	30 Sep 2013 \$'000
Current taxation				
Current year	(1,040)	(149)	(2,147)	(467)
Overprovision in respect of prior years	-	-	64	379
Deferred tax	383	(48)	587	336
	<u>(657)</u>	<u>(197)</u>	<u>(1,496)</u>	<u>248</u>

D. INTANGIBLE ASSETS

The Group recognized \$106.0 million of intangible assets on a provisional basis resulting from the acquisition of Boardroom. The purchase price allocation exercise for this acquisition will be finalized within 12 months from the date of acquisition. Adjustments, if any, to the provisionally determined intangibles and the related amortization costs will be accounted for retrospectively to the date of acquisition.

E. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	30 Sep 2014 \$'000	31 Dec 2013 \$'000	30 Sep 2014 \$'000	31 Dec 2013 \$'000
Amount due within one year	4,454	2,256	51,609	17,887
Amount due after one year	122,378	76,708	5,875	-
	<u>126,832</u>	<u>78,964</u>	<u>57,484</u>	<u>17,887</u>

F. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the loss attributable to Owners of \$298,000 (2013: profit of \$813,000) by the weighted average number of ordinary shares in issue during the period of 316,070,805 (2013: 316,070,805).

There were no outstanding share options as at 30 September 2014 and 2013.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. NET ASSET VALUE PER SHARE

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Net asset value per share based on existing issued share capital as at the end of the respective period	123.88 cts	118.27 cts	94.94 cts	96.81 cts

H. 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 2014 (2013: 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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Thomas Teo Liang Huat
Company Secretary

12 November 2014
Singapore