G. K. GOH HOLDINGS LIMITED

Annual Report 2017

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Sterculia Monosperma

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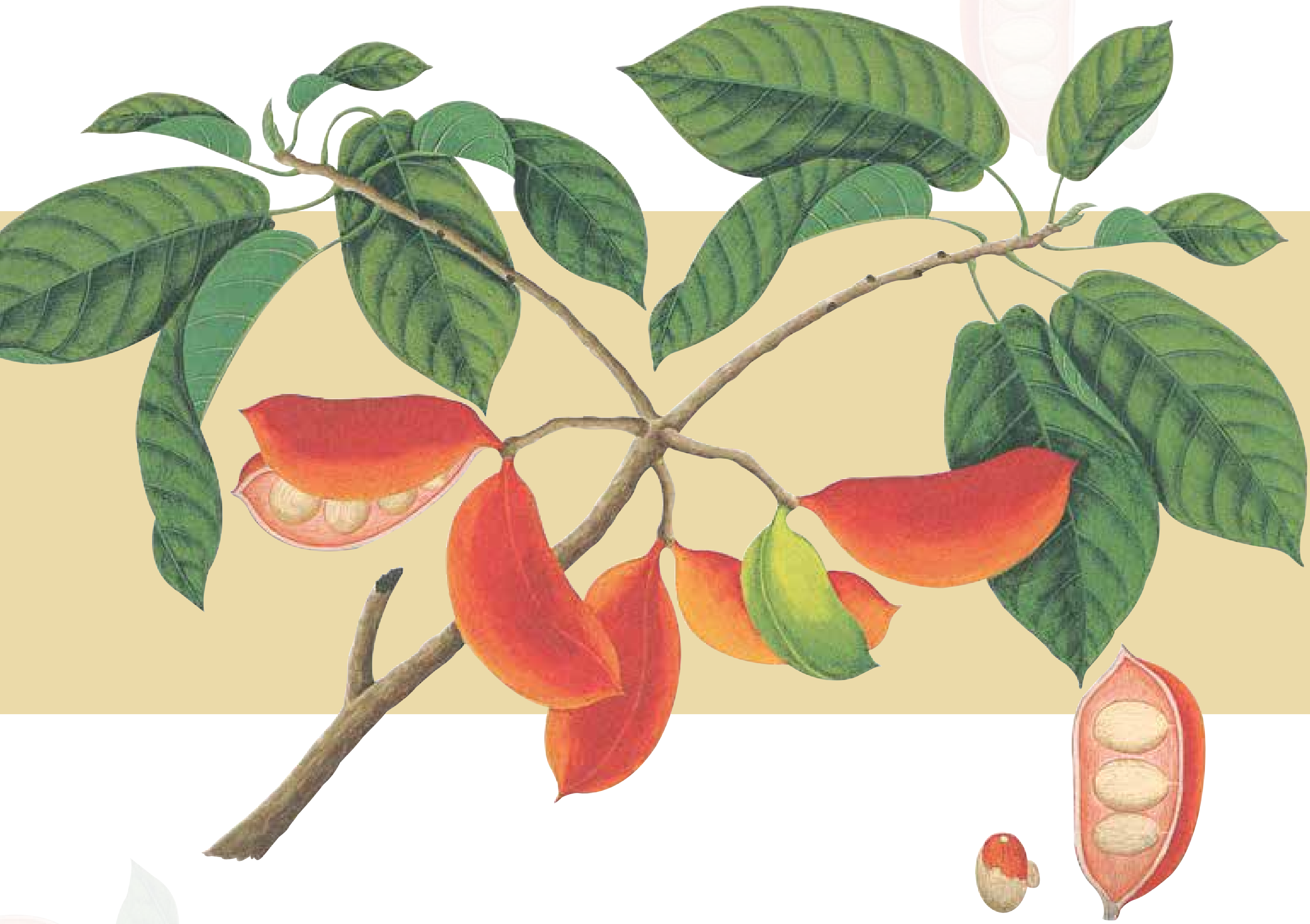


Dear Fellow Shareholders,

2017 was a good year for our Group. Our operating companies did well, and we sold two long-term investments for good profits. I am particularly pleased that our Group's net asset value per share increased from S$1.19 to S$1.44 over the course of 2017. We recorded total comprehensive income attributable to shareholders of S$92.3 million, well above the S$27.5 million earned in 2016. Net profits from continuing operations amounted to S$26.1 million, a creditable number as last year's S$31.6 million included two significant non-recurring items.

Group Financial Results for the Year Ended	2017 (S$'million)	2016 (S$'million)
Revenue	98.5	93.3
Net profit after tax from continuing operations	26.1	31.6
Fair value gain on EUN	68.2	–
Fair value gain on euNetworks Group transferred to P&L	–	(13.5)
Fair value gain on other long-term investments	1.7	8.0
Foreign currency translation	(2.3)	3.6
Other comprehensive income / (loss)	67.6	(1.9)
Total comprehensive income from continuing operations	**93.7**	**29.7**
Loss from discontinued operations	(0.4)	(2.1)
Non-controlling interests	(1.0)	(0.1)
Total comprehensive income attributable to Owners of the Company	**92.3**	**27.5**
Earnings per share (cents)	7.60	9.18
Net asset value per share (cents)	144.17	118.92

Asset Disposals

In September, we tendered our shares in Singapore-listed Croesus Retail Trust ("Croesus") in response to a bid from Blackstone Group at S$1.17 per share. We had acquired a 4% stake in Croesus because of its well-located retail malls in Japan, properties and its undervaluation relative to similar REITs listed in Japan. This sale resulted in net profits of S$9.3 million.

In November, we accepted a bid for our 7% stake in EUN Holdings LLP ("EUN"). We first invested in this owner and operator of European optic fibre networks in 2005, when it was a Singapore-listed company. After its delisting in 2016, EUN continued to grow its business and profits steadily. Our investment thesis was that the stock market had fundamentally undervalued the breadth of its network, and the potential for earnings to scale up rapidly as the need for high-capacity high-speed data transmission increased in Europe. The takeover bid valued EUN at approximately €1 billion, and we booked a profit of S$68.2 million on proceeds of S$106.5 million. Whilst we were happy to join our partners in the sale, we also decided to reinvest 15% of the proceeds (S$16.1 million) back into the business to participate in the next phase of EUN's growth.

Operating Businesses

Our assets can be viewed in two broad categories: Operating Businesses, where we have some degree of management control or board influence; and Financial Investments, which includes listed and unlisted equities as well as managed funds.

At present, our operating businesses can be divided into two groups: Aged Care, and Corporate Services.

Aged Care

The largest part of the Group's assets is invested in aged care and senior living, at present mostly in Australia. In Singapore, construction is underway for Allium Healthcare's first nursing home, at Venus Drive off Upper Thomson Road. This S$45 million, 129-bed facility will offer Singapore's elderly a distinctive and more personalised care philosophy when it opens in January 2019, and it is intended to be the first part in a suite of aged care assets that will widen the available range of care choices.

We acquired our 48% stake in Opal Aged Care Group ("Opal") four years ago for approximately S$160 million, bringing us into an equal partnership with units of Australia's AMP Limited. Opal is one of Australia's largest operators of residential aged care, currently operating over 70 homes with more than 6,500 beds, 38% more than when we first invested. We will be continuing to refurbish and expand older facilities, and to add new capacity to meet the growing need for modern care homes. By 2020, we expect Opal's bed capacity to be over 8,500.

Efficiencies resulting from increased scale will help to sustain profitability, despite changes to government funding which were announced in 2016, and which will continue to progressively affect Opal's margins through 2019.

In 2016, Opal's profits were boosted by a tax writeback, without which it would have contributed S$17.5 million. In 2017, Opal's contribution grew to S$18.5 million, a commendable result given the funding changes noted above.

Through Habitat Assets Pte Ltd ("Habitat"), we are also engaged in the development and operation of retirement villages in Australia. Having helped to seed the formation of Habitat, our stake was diluted from 55% to 36% with the introduction of additional capital from third-party shareholders to accelerate Habitat's growth. Habitat currently manages a portfolio of more than 700 retirement village units in Western Australia and Victoria, with capacity to build a further 700 units, and it is planning to expand further in this year. Habitat contributed S$2.6 million to Group profits in 2017.

Corporate Services

We own 87% of Boardroom Limited ("Boardroom"), a Singapore-listed provider of corporate services operating in Singapore, Australia, Malaysia, Hong Kong and China.

In last year's report, I noted that much had been done in recent years to rejuvenate Boardroom's service offerings and to grow new business lines. I am therefore pleased to note this year that the impact of these efforts is now more evident. Boardroom delivered robust numbers in 2017, with net profits up 46% to S$10.6 million on a 5% increase in revenues. Boardroom has also raised its proposed dividend payout by 25%. Please see Boardroom's annual report for a more granular analysis of its performance.

Investments

Equity markets were strong in 2017, helping to boost both realised and unrealised gains. In aggregate, our investments contributed S$23.9 million to profits, inclusive of the S$9.3 million derived from the sale of Croesus.

The largest investment following the sale of EUN and Croesus is a 6% stake in Eastern & Oriental Berhad ("E&O"), a Malaysian property group which owns the iconic Eastern & Oriental Hotel in Penang, along with the ongoing reclamation of a prime 750-acre site in Penang. E&O's stock price ranged widely in 2017, ending the year almost where it began after peaking nearly 50% higher in March. In common with many other Malaysian property companies, E&O trades at a significant discount to its revalued net asset value, but a re-rating will probably have to wait for a revival in the moribund domestic property market.

We increased our portfolio of short-term investments to S$44.1 million, and have continued to focus on the Japanese equity market which appears undervalued relative to other major markets.

Long-term investments increased by S$41.8 million, reflecting the fair value gain in our EUN stake, the sale of which was not completed until January 2019. Upon completion of the EUN sale and subsequent reinvestment described earlier, the aggregate value of long-term investments would have declined by S$90.4 million from the year-end valuation.

Balance Sheet

Group Investments as at 31 December 2017	Carrying Value (S$'million)	% of Total Assets
Opal Aged Care Group	175.3	28%
Boardroom Limited	82.3	14%
Allium Healthcare Holdings Pte Ltd	28.3	5%
Habitat Assets Pte Ltd	25.6	4%
Operating Assets (A)	**311.5**	**51%**
Eastern & Oriental Berhad	35.8	6%
Public Equities & Funds	62.2	10%
Public Equity Assets (B)	**98.0**	**16%**
EUN Holdings LLP	106.5	18%
Private Equities & Funds	91.1	15%
Private Equity Assets (C)	**197.6**	**33%**
Investment Assets (B+C)	295.6	49%
Total Assets (A+B+C)	**607.1**	**100%**
Net Debt	(136.4)	22%
Net Assets	**470.7**	**78%**

As the proceeds for the EUN sale were not received until after our financial year-end, our December 2017 balance sheet shows net current liabilities of S$20.7 million. This has since moved back firmly into positive territory with the receipt of the net cash proceeds totalling S$90.4 million from the EUN transactions. The Group's net gearing, which was 22% at the year-end, has also been reduced commensurately, providing capacity for us to make new investments should attractive opportunities emerge.

The net assets of the Group have risen to S$470.7 million from S$388.5 million.

Dividend

In last year's annual report, I set out our reasons for setting a base dividend of 3 cents per share, to be paid out in average years. I also said that we would also propose paying a special dividend in exceptional years. Clearly, 2017 was such a year, and your Directors are pleased to propose the payment of an ordinary dividend of 3 cents per share as well as a special dividend of 3 cents per share.

Prospects

We expect our operating businesses to report satisfactory earnings in 2018, though we will also have to bear some costs as we prepare for the opening of Allium Healthcare's Venus Drive nursing home in January 2019. Investment income, as always, is difficult to predict. The bulk of earnings in 2017 resulted from the sale of long-term investments. In the absence of further asset sales, it is likely that earnings will be lower in 2018.

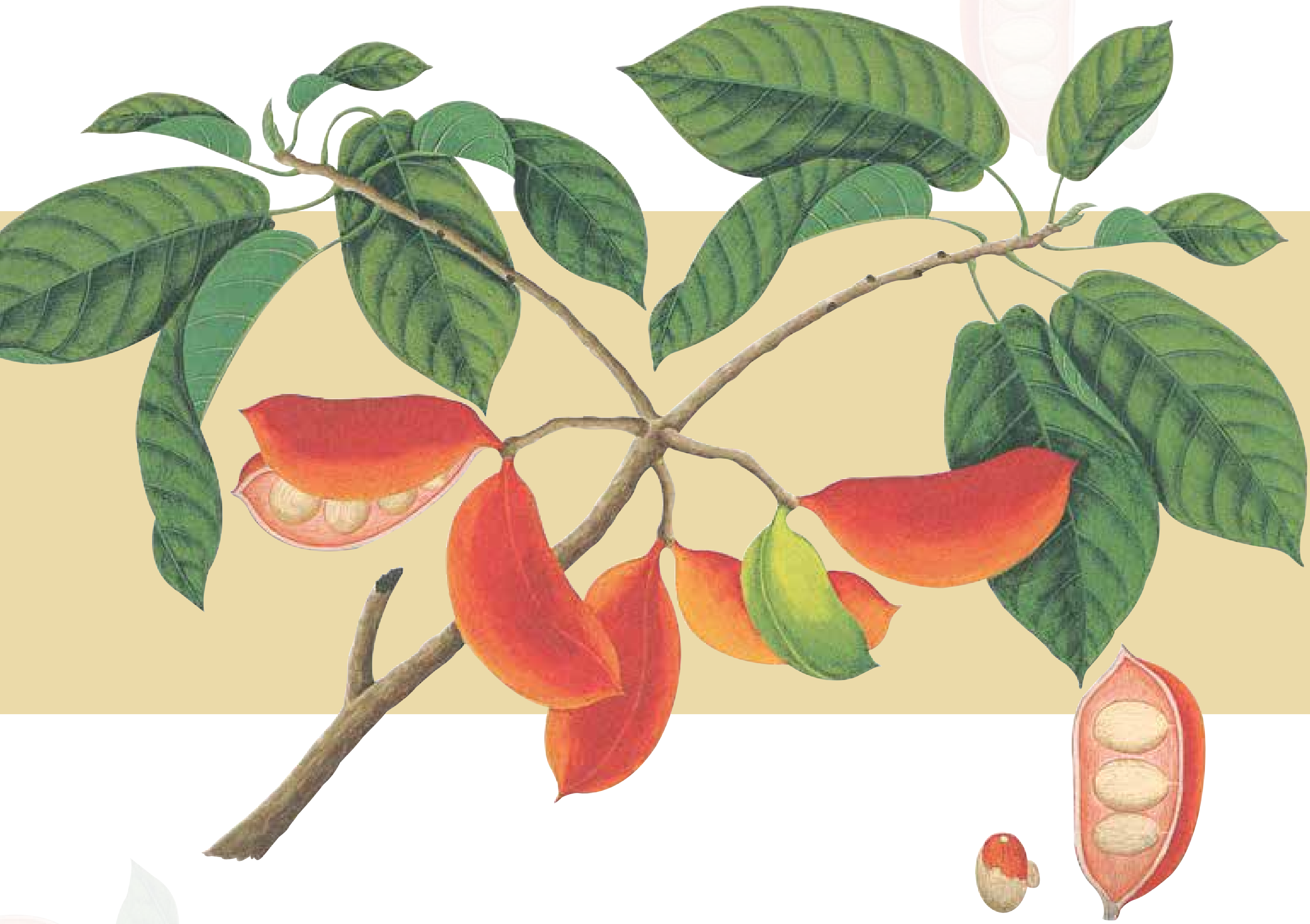
Acknowledgements

Mr Nicholas George has elected to step down from the Board at the close of the forthcoming Annual General Meeting. Nick joined our Board in 2004, when the Group was still primarily a financial services company. He has been an invaluable Director, providing insightful counsel at the time of the sale of the securities businesses, and also as we reshaped the Group's investment focus over the subsequent decade. He served as Chairman of euNetworks Group from 2010 to 2015 and played an important role in guiding its transformation from a loss-making business into a successful and profitable company. On behalf of all shareholders, I thank Nick for his dedication and service over the past 14 years.

I thank our shareholders for their patience and support over many years, and our business partners for working closely with us in growing great businesses. I also thank my fellow Directors for their frank advice, our bankers and advisers for their support, and all our staff for their hard work and enthusiasm.

Goh Geok Khim
Executive Chairman

Board of Directors



Board of Directors

Goh Geok Khim

Mr Goh Geok Khim has been Executive Chairman of the Company since his appointment as Director on 28 March 1990. He is a member of the Nominating Committee, and was last re-elected on 24 April 2017.

Mr Goh started his career in his family's business, which was active in trading, rubber, property and manufacturing steel products. He left in 1968 to join the stockbroking industry, starting the G. K. Goh stockbroking group in 1979.

Mr Goh is Chairman of the Boards of Boardroom Limited, Temasek Foundation International CLG Limited, Japfa Ltd and Federal Iron Works Sdn Bhd.

Mr Goh holds a Bachelor of Science degree in Civil Engineering from the University of Colorado.

Goh Yew Lin

Mr Goh Yew Lin has been an executive director of the Company since 28 March 1990, and was appointed as the Managing Director on 1 March 2008. He joined the G. K. Goh Group in 1984. He was last re-elected on 30 April 2005.

Mr Goh is an Alternate Director to Mr Goh Geok Khim for Boardroom Limited, and serves as a non-executive director on the Board of Temasek Holdings Pte Ltd. He is the Chairman of Seatown Holdings Pte Ltd, Yong Siew Toh Conservatory of Music and Singapore Symphonia Company Ltd, and is Deputy Chairman of the National Arts Council. He is also a member of the National University of Singapore Board of Trustees and chairs the NUS Investment Committee.

Mr Goh holds a Bachelor of Science (Economics) degree from the University of Pennsylvania's Wharton School.

Lee Soo Hoon

Mr Lee Soo Hoon has been an independent director of the Company since 2 January 2002. He is currently Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. He was last re-appointed on 25 April 2016.

Mr Lee worked as an auditor in the United Kingdom and on his return to Singapore, joined the predecessor firm of Ernst & Young. He was made partner of Ernst & Young in 1978 and was Staff Partner for five years. Mr Lee currently manages a consultancy firm assisting companies in management and financial matters.

Mr Lee is also an independent director of CSE Global Ltd, Estate and Trust Agencies (1927) Ltd, IPC Corporation Ltd, LMIRT Management Ltd, Kluang Rubber Company (M) Bhd, Kuchai Development Bhd and Sungei Bagan Rubber Company (M) Bhd.

Mr Lee is a Fellow Member of the Institute of Chartered Accountants of England and Wales, Institute of Singapore Chartered Accountants, Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Singapore Institute of Directors.

Nicholas George

Mr Nicholas George was appointed as an independent director of the Company on 16 July 2004. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He was last re-elected on 24 April 2017.

Mr George is a director of LGT Capital Partners (UK) Ltd, which acquired KGR Capital Management Ltd, a fund management company specialising in Asian Funds that Mr George co-founded in 2003. Mr George had previously worked for HSBC Securities where he was head of Corporate Broking in Asia. Prior to this, he was a managing director of J.P. Morgan Securities in Hong Kong and over the preceding twenty years, held senior positions at Jardine Fleming and BZW Securities all relating to Asian broking and corporate finance activities. Mr George is an independent director of Henderson Far East Income Limited, a company listed on the London Stock Exchange.

Mr George is a Fellow Member of the Institute of Chartered Accountants of England and Wales.

David Lim Teck Leong

Mr David Lim was appointed as an independent director of the Company on 23 April 2013. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He was last re-elected on 25 April 2016.

Mr Lim is the founder and Managing Partner of David Lim & Partners LLP with over thirty years of experience in corporate finance and litigation. He has represented multiple corporations from a myriad of sectors including finance and banking, fund management, private equity, oil and gas, healthcare, construction, information technology and communications, among others. He is a member of the Corporate Governance Council 2017 and is a Fellow of the Singapore Institute of Directors.

Mr Lim qualified as a barrister-at-law at Gray's Inn, London. He is admitted as an Advocate & Solicitor of the Supreme Court of Singapore.

Teo Marie Elaine

Ms Teo Marie Elaine was appointed as a non-executive independent director of the Company and a member of the Audit Committee on 1 September 2017.

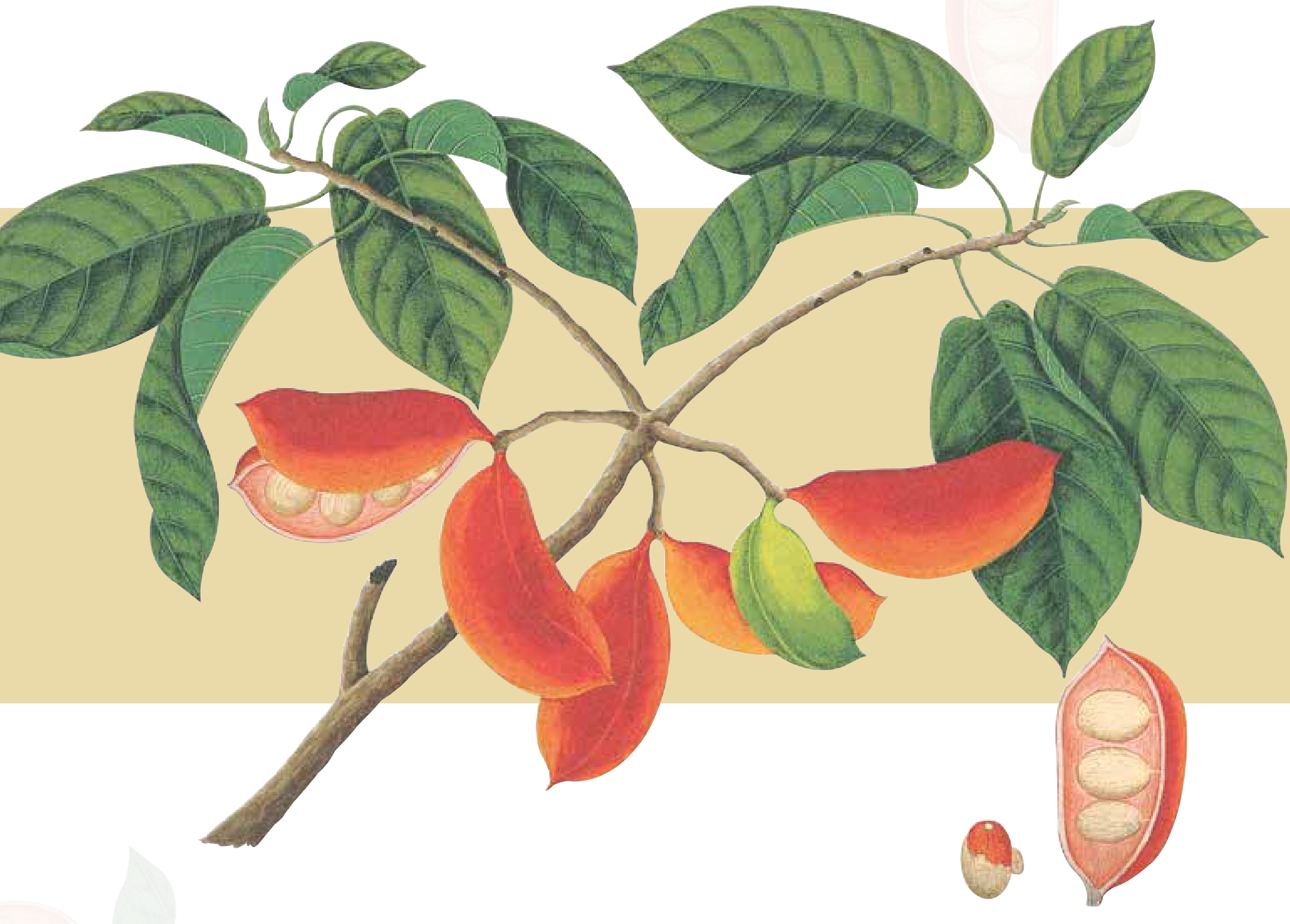
Ms Teo has over twenty years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. She was formerly the Chairman of Capital International Research Group and Managing Director of Capital International Inc., Asia. Ms Teo was also previously a senior advisor and partner of the Holdingham Group.

She is currently a non-executive independent director of Olam International Limited and a director of Mapletree Investments Pte Ltd. Ms Teo is also a member of the International Advisory Panel of CIMB Group Holdings Berhad.

She also serves as a director of Caregivers Alliance Ltd, as well as the Chairman of The Teng Ensemble.

A former student of CHIJ St Nicholas Girls' School, Ms Teo holds a Bachelor of Art (Honours) in Experimental Psychology from St Edmund Hall, Oxford University and a Masters in Business Administration from INSEAD, Fontainebleau.

Key Executives



Key Executives

Thomas Teo Liang Huat

Mr Thomas Teo joined the Company as its Chief Financial Officer on 12 April 2006. His executive responsibilities include financial and investment management as well as board representation on various subsidiaries and associates of the Group.

Prior to joining the Group, Mr Teo was with a regional private equity group for ten years, responsible for direct investments in the Asean region. He also spent eight years with Ernst and Young, Singapore and has had extensive experience in audit and corporate finance.

Mr Teo is a non-executive director of Boardroom Limited. He is also an independent director of an Australian listed company, OM Holdings Limited, serving as its Audit Committee Chairman and a Remuneration Committee Member.

Mr Teo holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor of Accountancy from the National University of Singapore. He is also a Fellow of the Institute of Singapore Chartered Accountants.

Bernie Poh Boon Nee

Mr Bernie Poh joined the Group as the Senior Vice President for Aged Care in January 2013 and was appointed the Executive Director and Chief Executive Officer of Allium Healthcare Holdings Pte Ltd in April 2017. He also represents the Group as an Alternate Director on the Board of Opal Aged Care Group.

Mr Poh has over twenty years of extensive experience in both the private and public healthcare sectors. Prior to joining the Group, he had served in various senior executive roles, which included Chief Executive Officer of Mount Elizabeth Hospital in Parkway Holdings Ltd (now IHH Healthcare Berhad) and Deputy Chief Executive Officer of the formerly SGX-listed Pacific Healthcare Holdings Ltd. During his employment in the public sector, he was a director at Health Sciences Authority.

Mr Poh graduated from National University of Singapore with a bachelor's degree in Business Administration. He also holds a Master of Business Administration from the Frankfurt School of Finance and Management and a Master of Social Work from the University of Hong Kong.

Corporate Data

Board of Directors

Executive
Goh Geok Khim (Executive Chairman)
Goh Yew Lin (Managing Director)

Non-Executive
Nicholas George (Independent)
Lee Soo Hoon (Independent)
David Lim Teck Leong (Independent)
Teo Marie Elaine (Independent)

Audit Committee

Lee Soo Hoon (Chairman)
Nicholas George
David Lim Teck Leong
Teo Marie Elaine

Remuneration Committee

Nicholas George (Chairman)
Lee Soo Hoon
David Lim Teck Leong

Nominating Committee

David Lim Teck Leong (Chairman)
Nicholas George
Goh Geok Khim
Lee Soo Hoon

Secretaries

Ngiam May Ling
Thomas Teo Liang Huat

Bankers

Australia and New Zealand Banking Group Limited
CIMB Bank Berhad
Malayan Banking Berhad
United Overseas Bank Limited

Registered Office

50 Raffles Place #33-00
Singapore Land Tower
Singapore 048623

Tel: (65) 6336 1888
Fax: (65) 6533 1361

Website: www.gkgoh.com

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Tel: (65) 6536 5355
Fax: (65) 6536 1360

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Audit Partner-in-charge

Nagaraj Sivaram (since 2017)

Group Structure
As at 31 December 2017

Singapore

Allium Healthcare Holdings Pte Ltd (100%)
Allium Healthcare Services Pte Ltd (100%)
Allium Healthcare (Singapore) Pte Ltd (100%)
Allium Investments Pte Ltd (100%)
Boardroom Limited* (87%)
Cacona Pte Ltd (100%)
G. K. Goh Capital (S) Pte Ltd (100%)
G. K. Goh Nominees Pte Ltd (100%)
G. K. Goh Strategic Holdings Pte Ltd (100%)
Habitat Assets Pte Ltd (36%)
Perilla Pte Ltd (100%)
Salacca Pte Ltd (100%)
Saliendra Pte Ltd (100%)
Solanum Investment Pte Ltd (100%)

Australia

Allium Holdings Pty Ltd (100%)
ACIT Finance Pty Ltd (50%)
DAC Finance Pty Ltd (48%)
Principal Healthcare Finance Trust (48%)
Principal Healthcare Finance Pty Ltd (50%)

British Virgin Islands

Ardisia Limited (100%)
Value Monetization III Limited (29%)

Cayman Islands

Bromius Capital Limited (20%)

Philippines

G. K. Goh Holdings (Philippines), Inc. (100%)

* Please refer to Boardroom Limited's Annual Report 2017 for details of its subsidiaries.

Corporate Office

G. K. Goh Holdings Limited

50 Raffles Place #33-00
Singapore Land Tower
Singapore 048623

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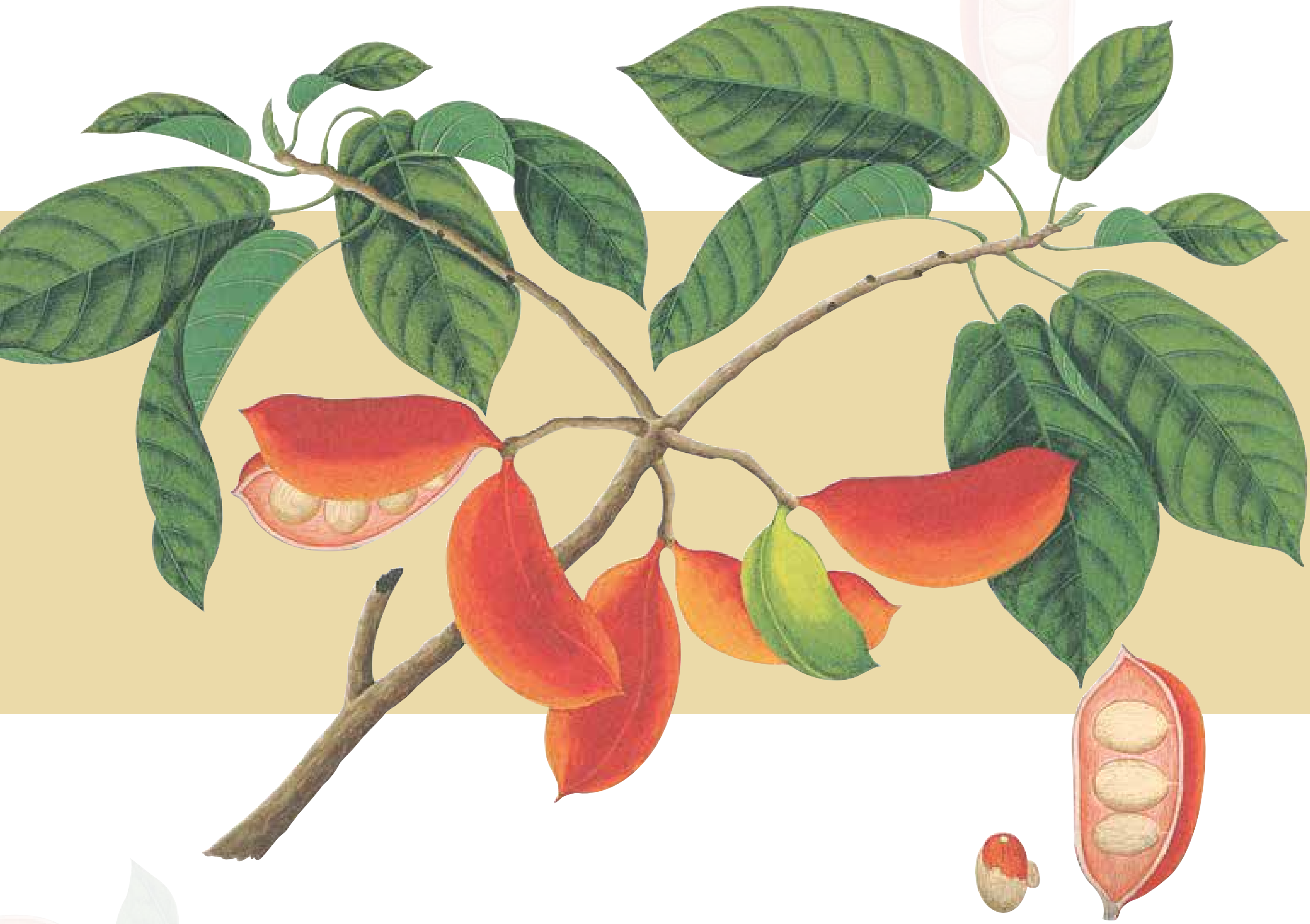
Corporate Governance



The Board of Directors and Management of the G. K. Goh Group continue to uphold the highest standards of corporate governance and confirm compliance with the principles contained in the Code of Corporate Governance 2012 (the "Code").

This report outlines the Company's corporate governance practices and activities for the financial year ended 31 December 2017 in relation to each of the principles of the Code. The Company has complied in all material aspects with the principles, guidelines and recommendations in the Code, and deviations are explained. Unless otherwise stated, the corporate governance processes were in place during the financial year.

BOARD MATTERS

The Board's conduct of affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The principal functions of the Board are to:

- Supervise the management of the business and affairs of the Group;
- Approve the Group's strategic plans, key operational initiatives, major investments, disposals and funding decisions;
- Identify the Group's business risks and ensure the implementation of appropriate systems to manage these risks;
- Monitor and review the Group's financial performance;
- Review Management's performance;
- Approve the nominations and re-election of Directors to the Board and the appointment of key personnel; and
- Assume responsibility for corporate governance.

In addition, the Board sets the tone from the top for matters such as values and standards (including ethical business practices) and brand reputation. It also oversees the Group's strategic direction and long-term sustainability. Recognising that perceptions of key stakeholder groups can affect an organisation's reputation, the Chairman and senior members of Management actively identify and engage with key stakeholders of the Group, and updates and any relevant feedback received are communicated to the Board.

The Board is assisted in its duties by Board Committees, specifically, the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC"). The day-to-day management functions are performed by senior Management, headed by the Managing Director ("MD").

The Board has put in place financial authorisation limits for operating and capital budgets, bank signatory and procurement of goods and services. Approval sub-limits are also provided at the Management level to facilitate operational efficiency. Matters that are specifically reserved for the Board's decisions include, in particular, interested person transactions, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances and dividend payments to shareholders, and other transactions of a material price sensitive nature requiring announcement under the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Board, based on the AC's recommendation, approves the quarterly and full year financial results for release to the SGX-ST.

The Board meets at least four times a year. Ad-hoc meetings are convened as and when circumstances require. The Company's Constitution provides for Directors to participate in Board meetings by conference telephone and similar means of communication. The Directors' attendances at meetings of the Board and the respective Board Committees are disclosed at the end of this report.

Non-Executive Directors are routinely briefed by the Executive Directors or Management at Board meetings or separate sessions, and provided with all necessary updates on regulatory and policy changes as well as developments affecting the Company and the Group. All Non-Executive Directors have access to the Executive Directors, Management and Company Secretaries and may request for additional information from them.

Directors, as fiduciaries, are required to discharge their duties and responsibilities objectively at all times. Each Director is expected to act in good faith and in the interests of the Company at all times in the discharge of his or her duties and exercise of his or her powers as a Director. Any newly-appointed Directors will be briefed on the Group's operations and furnished with information and updates on the Group's corporate governance practices at the time of appointment as well as the latest updates in laws and regulations affecting the Group's business. Upon appointment, a new Director would be provided with a formal letter outlining a director's duties and obligations under applicable laws and listing rules of the SGX-ST.

Directors are encouraged to attend seminars, workshops and receive training in areas such as directors' duties and responsibilities, changes in regulations and regulatory framework (including financial reporting standards and listing rules) which are relevant to the Company's business and operations, so as to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors.

On 1 September 2017, Ms Teo Marie Elaine joined the Board as an independent Director and a member of the AC.

Board composition and balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

The independence of each Director is reviewed by the NC. The NC has adopted the definition in the Code of what constitutes an independent Director in its review of the independence of each Director. The independence of any Director who has served on the Board beyond nine years from the date of first appointment is subject to particularly rigorous review. The NC confirms that independent Directors made up at least half of the Board for the financial year.

The Board consists of six members, four of whom are independent and non-executive. The number of independent Board members exceeds the recommendation in the Code (for at least half of the Board to be independent) as the Executive Chairman is part of the management team and he and the MD are immediate family members. Independent and non-executive members of the Board provide balance within the workings of the Board and oversight for minority shareholders' interests. There are no material relationships (including immediate family relationships between each independent Board member and the other Board members, the Company or its 10% shareholders (as defined in the Code). The independent Non-Executive Directors are Mr Nicholas George, Mr Lee Soo Hoon, Mr David Lim Teck Leong and Ms Teo Marie Elaine.

The independent Non-Executive Directors constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Non-Executive Directors (led by the lead independent Director) will have discussions amongst themselves without the presence of Management and the Executive Directors. The lead independent Director provides any relevant feedback to the Executive Chairman. In general, such discussions are informal and conducted either before the start, or after the conclusion, of a scheduled meeting of the Board or a Board Committee.

Mr Nicholas George and Mr Lee Soo Hoon would have served on the Board for more than nine years by the Twenty-ninth Annual General Meeting ("AGM"). The NC has determined that they be considered independent notwithstanding that each of them has served on the Board beyond nine years as Mr George and Mr Lee have each continued to demonstrate independence in character and judgement in the discharge of his responsibilities as a Director of the Company and there are no relationships or circumstances that could or are likely to affect his judgement and ability to discharge his responsibilities as an independent Director. The NC also noted that each of Mr George and Mr Lee had been forthcoming in expressing his individual viewpoints and active in providing constructive input, and objective in his scrutiny and debating issues.

Mr David Lim Teck Leong and Ms Teo Marie Elaine have served for less than nine years on the Board since their first appointment. In its annual review of independence, the NC has determined that each Mr Lim and Ms Teo are independent in character and judgement, and that there are no relationships or circumstances which could or are likely to affect his or her judgement and ability to discharge his or her responsibilities as an independent Director.

The Board endeavours to achieve balance and diversity necessary to maximise its effectiveness. In terms of gender representation, the current Board consists of five men and one woman, or is 83% male and 17% female. In terms of qualifications and competencies, members of the Board include seasoned professionals in stockbroking, investment, financial, accounting and legal fields. The Board believes that its members' different backgrounds, experience, age, gender and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The profiles of the Directors are on pages 8 to 10 of the Annual Report.

The NC is of the view that the current Board comprises persons who, as a group, provide an appropriate balance and diversity of skills, experience and knowledge of the Company, as well as the necessary core competencies and that the current Board size is appropriate, taking into consideration the nature and scope of the Group's operations.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

As recommended by the Code, the Chairman and Chief Executive Officer ("CEO") are separate persons. Mr Goh Geok Khim is the Executive Chairman of the Group while his son, Mr Goh Yew Lin, is the MD. They are also regarded as controlling shareholders of the Company. At the operational level, the Executive Chairman together with the senior management team led by the MD, provide decisiveness and clarity in the implementation of corporate policies and objectives. This serves to align the interests of the controlling shareholders with those of minority shareholders in the

Company's goals for enhancing shareholder value. Thus, it is felt that it is not necessary in the circumstances for the office of Chairman to be held by an independent Director.

As the Executive Chairman and the MD are related, Mr Lee Soo Hoon, a member of the NC and also the Chairman of the AC, has been appointed as the lead independent Director. The lead independent Director's role is to be available to shareholders when they have concerns, which contact through the normal channels of the Chairman, MD or the Chief Financial Officer ("CFO") has failed to resolve or for which such contact is inappropriate.

The Chairman ensures that Board meetings are held when necessary and sets the Board meeting agenda. The Chairman reviews all Board papers before they are presented to the Board and ensures that Directors are provided with complete, adequate and timely information. Management staff who have prepared the papers, or who can provide additional insight in the matters to be discussed, are sometimes invited to attend and present the papers at the Board meeting.

The Chairman ensures that procedures are introduced to provide Directors with timely and comprehensive analyses necessary for exercising informed judgement and decisions. The Chairman also ensures that the members of the Board work together with the Management team, and have the capability and moral authority to engage Management in constructive debate on various matters, including strategic issues and business planning processes.

Board membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises four members, three of whom are independent Non-Executive Directors. The Chairman of the NC, Mr David Lim Teck Leong, is an independent Director. The other members of the NC are Mr Nicholas George, Mr Goh Geok Khim and Mr Lee Soo Hoon.

Based on the written terms of reference approved by the Board, the principal functions of the NC are to:

- Review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- Identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Determine annually, and if circumstances require, the independence of a Director;
- Review the ability of a Director to adequately carry out his duties as Director when he has multiple board representations;
- Recommend to the Board the re-election by shareholders of any Director under the 'retirement by rotation' provisions in the Company's Constitution; and
- Assess the effectiveness of the Board as a whole and its Board Committees.

The Board is of the view that setting a maximum number of listed company board representations which a Director may concurrently hold would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they were in full-time employment and their personal commitments or responsibilities. All Directors had confirmed that notwithstanding the number of listed company board representations and other principal commitments which they held, they were able to devote sufficient time and attention to the affairs of the Company. The NC takes this into consideration when evaluating whether the individual is able to or has been adequately discharging his or her duties as a Director.

The Company's Constitution provides for the retirement by rotation of Directors other than the MD at each AGM. The Board believes that as the success of the Company is dependent on the experience and capability of the MD, it is not necessary for the present to include the MD (who is also a controlling shareholder) for periodic retirement by way of rotation, and this would not undermine the corporate governance processes.

The NC reviews and recommends all Director appointments. Candidates may be put forward or sought through contacts and recommendations. Candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, age and skill sets. The Company endeavours to include female candidates in its search pool. The selection of candidates is evaluated taking into account various factors including the relevant expertise of the candidates and their potential contributions to the current and mid-term needs and goals of the Group. The independence of each Director is reviewed upon appointment, and thereafter annually and if circumstances require, by the NC. Independent Directors are required to notify the NC promptly of any relationships or circumstances which arise that are likely to affect, or could appear to affect, the Director's independence.

None of the Directors has an alternate Director. As a Director is expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

Board performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole and of its Board Committees, taking into account the contributions of individual Directors to the effectiveness of the Board and the Board Committees on which they serve. The performance criteria include evaluation in respect of board size and composition, board processes, board information and accountability, board performance in relation to discharging its principal functions and responsibilities, constitution of Board Committees and performance of the Board Committees' delegated roles. The Board believes that engaging in a regular process of self-assessment and evaluation of Board performance in order to identify key strengths and areas for improvement is essential to effective stewardship. The evaluation process is administered annually by the NC.

Each Director is required to complete assessment forms to evaluate the Board and Board Committees. The Company Secretary collates the completed forms and prepares a consolidated report for the Chairman of the NC. The NC discusses the report and concludes the performance results during the NC meeting. In consultation with the NC, the Chairman would act on the results of the performance evaluation with a view to strengthening the Board with new members and/or seeking resignation of Directors where appropriate in order to enhance the effectiveness of Board Committees and/or the Board as a whole. Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors at the AGM are based on the Directors' attendance at meetings held during the financial year, preparedness for meetings, analytical skills and the contribution made by the Directors at the meetings.

The Board is of the view that while financial indicators such as share price performance and return-on-equity allow for benchmarking of the Board's performance relative to that of competitors and industry peers, non-financial indicators such as feedback received from investors (institutional and/or retail) and market analysts also serve as useful qualitative analysis by external parties. For the long-term success and value creation of the Company, the Board believes that its performance and that of individual Board members is reflected in, and evidenced by, proper guidance, diligent oversight and able leadership of the Company, and the support that it lends to Management in steering the Company and the Group to achieve strategic goals. Having regard to its composition and mix, the Board has endeavoured through each Director's unique contributions and diversity of experience, to ensure that balanced and well-considered decisions are made in the best interests of the Company.

Access to information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Directors have separate, independent access to the Company Secretaries and Management at all times. At least a week prior to each meeting, the Directors are provided with the agenda, reports and up-to-date information in regard to the Company's operations in preparation for each meeting. Additional information is provided to Directors, as and when needed, to enable them to make informed decisions. Where necessary, the Company will, upon the request of the Directors, provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties.

All Directors are provided with monthly performance reports. In addition, field visits are arranged for Directors as and when necessary to enable the Directors to better understand the Group's business operations. During the year, two of the Directors visited the aged care facilities of Opal Aged Care Group in Sydney and met with their management.

The Company Secretaries or their representatives attend all Board meetings. Their duties include minute taking, assisting the Chairman in ensuring that Board procedures are followed and communicating changes in listing rules of the SGX-ST or other regulations affecting corporate governance and compliance where appropriate. The Company's Constitution empowers the Board to appoint and remove any Company Secretary.

REMUNERATION MATTERS

Level and mix of remuneration

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Disclosure of remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Procedures for developing remuneration policies

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The RC comprises three members, all of whom are independent Non-Executive Directors. Mr Nicholas George chairs the RC. The other members of the RC are Mr Lee Soo Hoon and Mr David Lim Teck Leong.

Based on the written terms of reference approved by the Board, the principal functions of the RC are to:

- Review and submit to the Board a framework of remuneration policies for Executive and Non-Executive Directors, and senior Management;

- Review and submit to the Board the specific remuneration packages and terms of employment of each Director and senior Management, covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind; and

- Review and submit to the Board the setting up of share option schemes or long-term incentive schemes.

As part of its review, the RC will take into consideration the salary and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual Directors and senior Management.

When deciding on performance-related remuneration, the RC also takes into account the risk policies of the Company, the risk outcomes and the time horizon of risks that might be undertaken. The RC, in carrying out its tasks, has access to professional advice on human resource matters whenever there is a need to consult externally. There was no necessity for external advice to be obtained during the financial year.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account. Comparisons are made periodically against directors' fees of other listed companies with similar market capitalisation as the Company to ensure that the Directors' fees are within market norms and commensurate with responsibilities of the Non-Executive Directors. Executive Directors do not receive Directors' fees as they are remunerated as executive employees. No individual Director decides his or her own remuneration. The Directors' fees will only be paid upon approval by the shareholders at the AGM. These measures serve to assure that the independence of the non-executive Directors is not compromised by their compensation.

The two Executive Directors are under service contracts with the Company, which stipulate a fixed component in the form of base salary and a variable component linked to the Group's total comprehensive income and return-on-equity. The RC reviews the service contracts annually and any revisions are subject to its approval. The service contracts were last renewed in February 2017.

The remuneration framework for all employees comprises a fixed component in the form of a base salary and a variable component in the form of a bonus that is given to the employee after the financial year-end. The bonus is linked to the Group's and the employee's performance. The Company currently does not operate any share-based or long-term incentive schemes for employees. The RC will consider a suitable scheme for executive employees as and when it deems necessary. For the present, the RC is of the view that share-based incentives are not needed as motivational tools to encourage retention of the Executive Directors and key management personnel.

There are no termination or retirement benefits that are granted to the Directors and key management executives of the Group. The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management executives in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

The remuneration of Directors for the financial year is set out below:

Directors	Salary S$'000	Bonus S$'000	Fees S$'000	Other Benefits S$'000	Total S$'000
Goh Geok Khim	965	4,818	–	62	5,845
Goh Yew Lin	849	4,818	–	86	5,753
Nicholas George	–	–	69	–	69
Lee Soo Hoon	–	–	71	–	71
David Lim Teck Leong	–	–	69	–	69
Teo Marie Elaine (appointed on 1 September 2017)	–	–	21	–	21
Total	1,814	9,636	230	148	11,828

The remuneration of key management executives for the financial year is set out below:

Key Management Executives	Salary %	Bonus %	Fees %	Other Benefits %	Total %
S$2,750,000 to below S$3,000,000					
Thomas Teo	13	87	–	–	100
S$250,000 to below S$500,000					
Bernie Poh	72	28	–	–	100
Tang Chon Luang	67	33	–	–	100

The aggregate remuneration paid to the above key management executives for the financial year was S$3,407,000.

Excluding the two Executive Directors, there were no employees of the Group who are immediate family members of a Director and whose remuneration exceeded S$50,000 during the financial year.

An annual remuneration report is not included in this report as the matters required to be disclosed therein have been disclosed above, in the Directors' Statement and in the notes to the financial statements. The Board responds to queries from shareholders at AGMs on matters pertaining to remuneration policies and directors' remuneration.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Company provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 45 days from the end of the quarter. Annual results are released within 60 days from the end of the financial year. In presenting the quarterly and annual financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's position and prospects. The Company has in place a system of reporting to maintain compliance with statutory and regulatory reporting requirements, including requirements under the Listing Manual.

Risk management and internal controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the company's assets, and should determine the nature and extent of significant risks which the Board is willing to take in achieving its strategic objectives.

The Board considers the management of major business risks to be an important and integral part of the Group's overall internal controls framework. The practice of risk management is undertaken by the Executive Directors and senior Management under the purview of the Board. The Company's approach to risk management focuses on ensuring that appropriate controls are in place to effectively manage those risks. Measures are adopted to manage such risks, and risk management policies are monitored by Management, and periodically reviewed and approved by the Board. The financial risk management objectives and policies of the Group are discussed under Note 30 of the Notes to the Financial Statements.

The Board has received assurance from the MD and CFO at the Board meeting on 26 February 2018 that:

- The financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2017 give a true and fair view of the Group's operations and finances; and

- The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material financial, operational, information technology and compliance risks in the Group. The MD and CFO have obtained similar assurances from the business and corporate executive heads in the Group.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management, as well as assurance from the MD and CFO, the Board, with the concurrence of the AC, is of the opinion that the internal controls are adequate and effective as at 31 December 2017 to address the financial, operational, information technology and compliance risks which the Group considers relevant and material to its operations.

The Board, with the assistance of the AC, continually reviews the Group's internal control processes and risk management practices for their adequacy and effectiveness. The system of internal control maintained by Management and that was in place throughout the financial year provides reasonable, but not absolute, assurance against material financial misstatements or loss. Key areas of internal control include the safeguarding of assets, maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises four members, all of whom are independent Non-Executive Directors. Mr Lee Soo Hoon chairs the AC. The other members of the AC are Mr Nicholas George, Mr David Lim Teck Leong and Ms Teo Marie Elaine. Based on the written terms of reference approved by the Board, the principal functions of the AC are to:

- Review the audit plans of the internal and external auditors of the Company, and review the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by Management to the internal and external auditors;
- Review the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Company before their submission to the Board;
- Review effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Meet with the external auditor, other Board Committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Review the cost effectiveness and the independence and objectivity of the external auditor;
- Review the nature and extent of non-audit services provided by the external auditor;
- Recommend to the Board the external auditor to be nominated, approve the compensation of the external auditor, and review the scope and results of the audit;
- Report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate; and
- Review interested person transactions in accordance with the requirements of the Listing Manual of the SGX-ST ("Listing Manual").

The AC convened four meetings during the financial year.

In the review of the financial statements, the AC discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The AC also considered the clarity of disclosures on significant matters in the financial statements. Among other matters, the following key audit matters as reported by the external auditor for the year ended 31 December 2017 were reviewed and discussed by the AC with Management and the external auditor:

- Impairment assessment of goodwill;
- Valuation of unquoted financial instruments; and
- Investment in associates.

Following the review and discussions, the AC was satisfied with the approach and appropriateness of methodologies used by Management, as adopted and disclosed in the financial statements, and recommendation was made by the AC to the Board to approve the financial statements.

The AC has met with internal and external auditors, without the presence of Management, at least once during the financial year. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of Management and the internal auditor and has full discretion to invite any Director or executive officer to attend its meetings. The auditors, both internal and external, have unrestricted access to the AC.

The AC has reviewed the non-audit services provided by the external auditor, which comprise tax services, and is satisfied with the independence of the external auditor. For details of fees payable to the Company's external auditor, Ernst & Young LLP, in respect of the audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements.

The AC has also put in place a policy, whereby staff of the Group may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters. The AC oversees this "whistle-blowing" policy and its related procedures, and ensures that arrangements are in place for independent investigations of such matters and appropriate follow up actions. Employees are encouraged to report, in confidence, any behaviour or action that might constitute a contravention of any rules, regulations, accounting standards or internal policies.

Where relevant, the AC makes reference to the best practices and guidance in (among others) practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") and the Guidance to Audit Committees on ACRA's Audit Quality Indicators Disclosure Framework.

The Board is of the view that the AC members have the relevant expertise to discharge the functions of an AC. Two members of the AC including the Chairman of the AC are qualified chartered accountants. Collectively, the AC members have extensive experience in the accounting, financial and investment fields. Reasonable resources have been made available to the AC to enable them to discharge their duties.

The AC members take measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through attendance at trainings and updates by professionals and external auditor.

None of the AC members was a former partner of the Company's existing external auditor, Ernst & Young LLP, within the previous 12 months or has any financial interest in the firm.

Internal audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has outsourced its internal audit function to PricewaterhouseCoopers LLP. Its personnel assigned to perform the internal audit function are expected to be suitably qualified professionals with the requisite experience and necessary skill sets. The internal auditors are expected to meet or exceed the standards set by nationally or internationally recognised bodies, including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The annual internal audit plan is prepared in consultation with, but independent of Management, and submitted to the AC for approval. The AC ensures that the internal audit function has appropriate standing within the Company. The internal auditors report directly to the AC and the findings and recommendations made have been adequately followed through and implemented by Management in the financial year. The AC participates in and approves the hiring, removal, evaluation and compensation of the internal audit function. The internal auditors are given unfettered access to all company documents, records, properties and personnel, including access to the AC. The adequacy and effectiveness of the outsourced internal audit function is reviewed by the AC at least annually. In doing so, the AC takes into consideration the service level, attentiveness, professionalism and caliber of the assigned personnel who carried out the internal audit activities during the financial year. The AC is satisfied that the internal audit function is independent, adequately resourced and effective.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of shareholder meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company regularly communicates significant developments in its business and operations in addition to its periodic results and Annual Reports. Immediate announcements are made via SGXNET where required under the Listing Manual. Where immediate announcement is not practical, the announcement is made as soon as possible to ensure that shareholders and the public have fair access to the information. The Company also has a website at www.gkgoh.com where shareholders and the public can access information on the Group. The quarterly and full year financial results are published via SGXNET as well as on the Company's website. Enquiries from shareholders, analysts and the press are handled by specifically designated members of senior Management in lieu of a dedicated investor relations team.

The Company's main dialogue with its shareholders, which includes institutional and retail investors, takes place at its AGMs. Shareholders are encouraged to attend AGMs. The Board and Management, as well as the external auditor, are in attendance at AGMs to address shareholders' questions on issues relevant to the Company and resolutions proposed at the AGMs.

Shareholders can vote in person or appoint not more than two proxies to attend, speak and vote on their behalf at general meetings of shareholders, with the exception that shareholders such as nominee companies, which provide custodial services for securities, are able to appoint more than two proxies to attend, speak and vote at general meetings notwithstanding the Company's Constitution does not differentiate between the number of proxies which may be appointed by individual shareholders and by nominee companies. As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax. All resolutions are separate unless they are interdependent and linked, and the reasons and material implications are explained. The Company prepares AGM minutes, which include relevant comments and queries from shareholders and the corresponding responses from the Board and Management, and makes these minutes available to shareholders upon request.

For greater transparency in the voting process, the Company implements electronic poll voting at general meetings. An independent scrutineer is appointed by the Company to ensure that satisfactory procedures of the voting process are in place before the general meeting, and to oversee the count of the votes cast in person or through proxy. Shareholders and proxies in attendance at the meeting are informed of the house rules and voting procedures. The detailed results of the votes cast, for or against, on each resolution polled are tallied and disclosed instantaneously at the general meeting. These detailed voting results are also announced by the Company after the meeting in accordance with relevant requirements of the Listing Manual.

The Company does not have a stated policy of distributing a fixed percentage of earnings by way of dividend in any financial year. In fixing a dividend for any year, the Board considers a number of factors, including current and forecast earnings, capital expenditure requirements, growth options and the Company's debt/equity position.

DEALING IN SECURITIES

The Group has adopted a Best Practices Guide with respect to dealings in securities based on the best practices recommendations of the SGX-ST, and extended in application to financial futures, foreign exchange contracts and over-the-counter instruments. The Group has established a policy governing such dealings by its Directors and staff. Directors and staff are prohibited from dealing in the securities of the Company during the periods commencing two weeks before the announcement of the Company's financial statements for the first, second and third quarters of its financial year and one month before the announcement of the Company's financial statements for its full-year in accordance with the guidelines set out in the Best Practices Guide. The prohibition is extended to the listed major investments of the Company. In addition, Directors and staff are required to observe the regulatory requirements of the respective markets that the Group operates in and are expected not to deal in securities and other financial instruments on short-term considerations.

Directors are required to report to the Company Secretaries whenever they deal in the Company's shares. Thereafter, the Company Secretaries update the Register of Directors' Shareholdings and make the necessary announcements on SGXNET.

ETHICAL STANDARDS AND BUSINESS CONDUCT

The Company has developed a code of ethics and business conduct ("Code of Ethics"), which has been fully endorsed by the Board, and disseminated to all employees of the Group. The Code of Ethics, which also deals with subjects such as confidential information and insider trading, is applied in conjunction with relevant laws and regulations. The Code of Ethics is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism. In essence, the Code of Ethics requires that all personnel act with utmost integrity, objectivity and in compliance with both the letter and spirit of the law as well as with company policies and procedures.

INTERESTED PERSON TRANSACTIONS

No interested person transactions (within the meaning of the Listing Manual) of S$100,000 or more in value were entered into during the financial year.

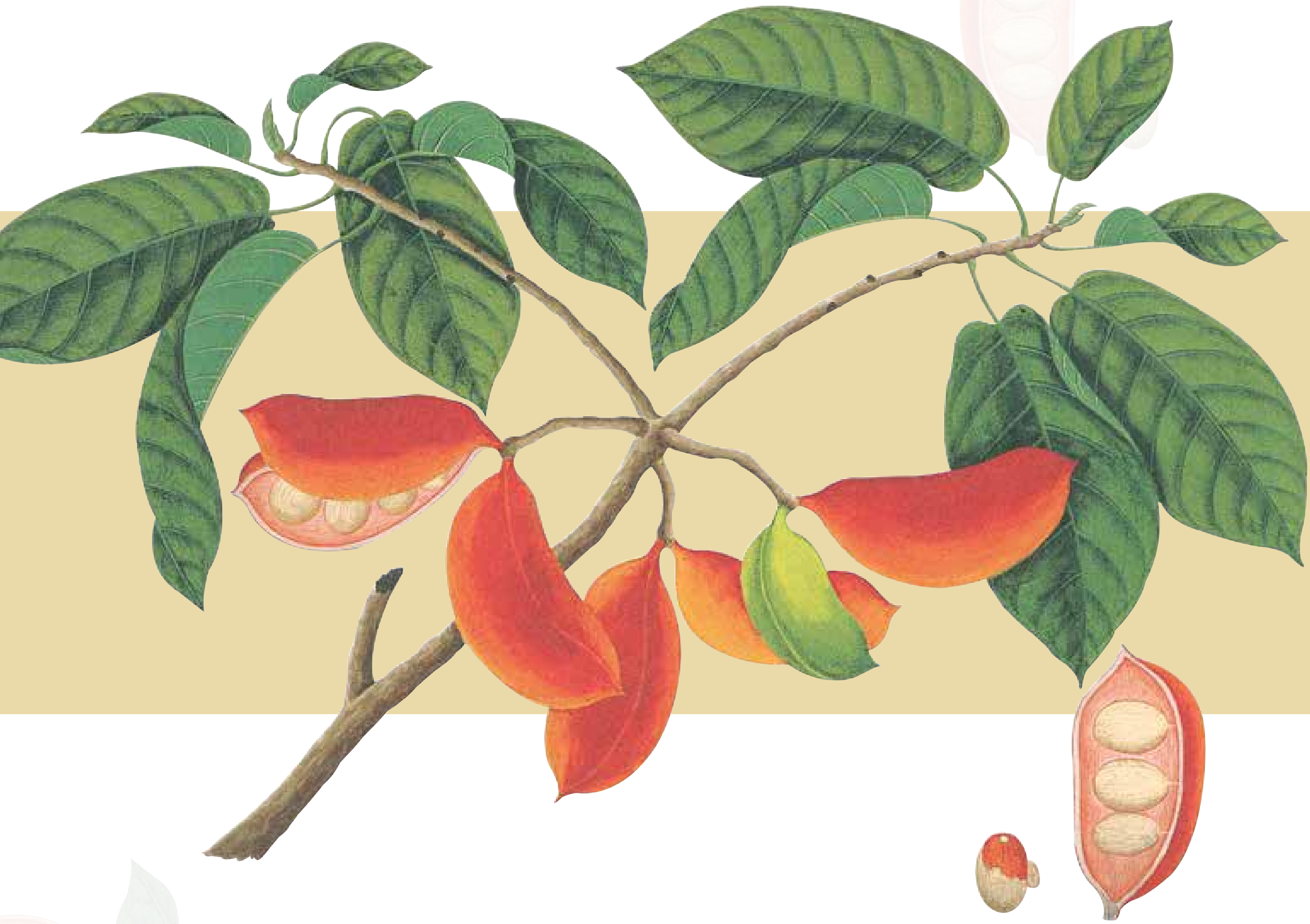
The Company did not have a shareholders' mandate for interested person transactions during the financial year.

ATTENDANCE OF DIRECTORS AT BOARD AND BOARD COMMITTEE MEETINGS

	Number of meetings attended in 2017			
Name	Board of Directors	Audit Committee	Remuneration Committee	Nominating Committee
Goh Geok Khim	4	–	–	1
Goh Yew Lin	4	–	–	–
Nicholas George	3	3	–	–
Lee Soo Hoon	4	4	1	1
David Lim Teck Leong	4	4	1	1
Teo Marie Elaine [1]	1	1	–	–
Number of meetings held in 2017	4	4	1	1

[1] Ms Teo Marie Elaine was appointed as a Director and a member of the AC on 1 September 2017.

Directors' Statement & Financial Statements



The directors are pleased to present their statement to the members together with the audited consolidated financial statements of G. K. Goh Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2017 and the balance sheet and statement of changes in equity of the Company as at 31 December 2017.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying consolidated statement of comprehensive income, balance sheets, statements of changes in equity and consolidated cash flow statement together with the notes thereto, are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2017 and of the financial performance of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Goh Geok Khim	Executive Chairman
Goh Yew Lin	Managing Director
Nicholas George	
Lee Soo Hoon	
David Lim Teck Leong	
Teo Marie Elaine	

In accordance with Articles 86 and 93 of the Company's Constitution, Lee Soo Hoon, David Lim Teck Leong and Teo Marie Elaine retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objective is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, Chapter 50 of Singapore (the "Act"), an interest in the shares of the Company, the Company's holding company and its related companies (other than wholly-owned subsidiaries) as stated below:

	Held in the name of the directors		Deemed interest	
	At the date of appointment or beginning of financial year	At the end of financial year	At the date of appointment or beginning of financial year	At the end of financial year
Ordinary shares				
The holding company, GKG Investment Holdings Pte Ltd				
Goh Geok Khim	2,500,500	2,500,500	704,500	704,500
Goh Yew Lin	1,495,000	1,495,000	–	–
The Company, G. K. Goh Holdings Limited				
Goh Geok Khim	–	–	196,121,722	196,361,422
Goh Yew Lin	–	–	196,121,722	196,397,422
Nicholas George	100,000	100,000	–	–
Lee Soo Hoon	20,000	20,000	–	–
David Lim Teck Leong	10,478	10,478	–	–
Teo Marie Elaine	–	–	164,800	164,800

By virtue of Section 7 of the Act, Goh Geok Khim and Goh Yew Lin are deemed to be interested in all the shares held by G. K. Goh Holdings Limited in its subsidiaries.

None of the directors acquired additional shares in the Company between the end of the financial year and 21 January 2018.

Share options

The Company does not have any share option scheme.

Audit committee

The audit committee ("AC") carried out its functions in accordance with Section 201B(5) of the Act, including the following:

- Reviewed the audit plans of the internal and external auditors of the Company and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by management to the internal and external auditors;
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Company before their submission to the board of directors;
- Reviewed effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the external auditor, other board committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the financial year. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Goh Geok Khim	**Goh Yew Lin**
Executive Chairman	Managing Director

Singapore
14 March 2018

Report on the audit of the financial statements

Opinion

We have audited the financial statements of G. K. Goh Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company, and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters (cont'd)

1. *Goodwill*

As at 31 December 2017, the Group recorded goodwill on consolidation of S$58.3 million, which represents approximately 12% of the Group's net assets. Based on the annual impairment test, management has concluded that the goodwill is not impaired. We considered the audit of management's annual goodwill impairment test to be a key audit matter because the assessment process requires management to make assumptions about future market and economic conditions that are subject to significant judgements and estimation uncertainty.

As disclosed in Note 9 *Intangible assets* to the financial statements, the goodwill is allocated to four cash-generating units ("CGUs"). The recoverable amounts of the CGUs have been determined based on value in use calculations using approved cash flow projections. The cash flow projections are based on assumptions of future profitability and growth rates. We checked that the cash flow projections for the CGUs were derived from approved management forecasts, and evaluated management's forecasting process by comparing previous forecasts to actual results. We evaluated the assumptions made by management by comparing to historical data as well as recent trends and market outlook. We also assessed the discount rates used to determine the present value by comparing them to external comparable data. Our internal valuation experts assisted us in performing these procedures. In addition, we reviewed the accuracy and adequacy of the disclosures made in Note 9 to the financial statements.

2. *Fair value of financial instruments*

As at 31 December 2017, the Group held long-term investments of S$254.5 million, which represented approximately 53% of the Group's net assets. Management has valued these investments using inputs which have been classified using the fair value hierarchy disclosed in Note 28 *Fair value of assets and liabilities* to the financial statements. We considered the valuation of unquoted equity securities and unquoted unit trust funds to be a key audit matter because these valuations involve a higher degree of judgement and estimation uncertainty.

We obtained an understanding of the Group's internal controls over the investments valuation process, including management's approval of the valuation method, controls over the valuation inputs and calculation, and management's review of valuations provided by third parties. For valuations of unquoted unit trust funds, we compared the valuations to valuations from the third party fund managers and obtained other information including audited financial statements and fund reports to support the valuation. For valuations which are based on comparable prices, we tested the price information available and assessed the comparability of this price to the specific investment. For valuations based on valuation models, we tested the accuracy of the valuation model and compared the inputs used in the model to third party sources where available. We evaluated the assessment performed by the Group to identify whether any of the investments accounted for as available-for-sale were impaired. In addition, we also reviewed the accuracy and adequacy of the disclosures relating to the valuation of investments (Notes 13 *Long-term investments* and 28 *Fair value of assets and liabilities* to the financial statements).

Key audit matters (cont'd)

3. *Investment in associates*

The Group holds significant investments in associates that are accounted for using the equity method including a 48% equity investment in Opal Aged Care Group ("Opal"), a provider of aged care services in Australia that is disclosed in Note 1 *Corporate Information* and Note 12 *Associates* to the financial statements. As at 31 December 2017, the carrying amount of the Group's investment in Opal is S$175.3 million, and its share of Opal's results represents approximately 69% of the Group's profit before taxation for the year then ended. This represents a key audit matter because of the significance of the contribution to group profits and net assets.

Opal is audited by a different component auditor, who report to us on the results of their audit procedures in accordance with the group audit instructions issued and scope assigned by us. We determined the scope of the component auditor's work based on the relative contribution to the consolidated financial statements and the specific audit issues and risks relating to Opal. We were involved in the planning, execution and conclusion of the component auditor's work which included site visits, meetings and conference calls with the component audit team. We reviewed the audit procedures performed and evaluated the audit evidence they obtained as a basis for forming our opinion on the financial statements of the Group as a whole. We also reviewed the adequacy and accuracy of the disclosures made in the aforementioned notes to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Nagaraj Sivaram.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
14 March 2018

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
CONTINUING OPERATIONS			
Revenue	3	98,461	93,299
Costs and expenses			
Employees' compensation and related costs	25	(63,218)	(50,912)
Office and equipment rental costs		(7,110)	(6,533)
Depreciation and amortisation	8, 9	(5,276)	(6,376)
Technology and information services costs		(1,294)	(1,258)
Gain / (loss) on foreign currency exchange		1,986	(876)
Provision for doubtful debts	15	(856)	(898)
Other operating expenses	4	(9,450)	(12,874)
Total costs and expenses		(85,218)	(79,727)
Profit from operating activities		13,243	13,572
Finance costs	4	(5,153)	(5,993)
Share of profit of associates		18,792	34,426
Profit before tax from continuing operations		26,882	42,005
Taxation	5	(831)	(10,367)
Profit from continuing operations, net of tax		26,051	31,638
DISCONTINUED OPERATIONS			
Loss from discontinued operations, net of tax		(407)	(2,145)
Profit for the year		25,644	29,493
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Net gain on available-for-sale financial assets:			
– Fair value gain		72,911	7,633
– Transferred to profit or loss on disposal		(2,987)	(13,157)
Share of other comprehensive income of associates		21	13
Net loss on hedge of net investment		(241)	(113)
Foreign currency translation		(2,097)	3,706
Other comprehensive income / (loss) for the year, net of tax		67,607	(1,918)
Total comprehensive income for the year		93,251	27,575
Profit / (loss) attributable to:			
Owners of the Company			
– Profit from continuing operations		25,224	32,126
– Loss from discontinued operations		(407)	(2,145)
Non-controlling interests		827	(488)
		25,644	29,493
Total comprehensive income / (loss) attributable to:			
Owners of the Company			
– Total comprehensive income from continuing operations		92,628	29,625
– Total comprehensive loss from discontinued operations		(407)	(2,145)
Non-controlling interests		1,030	95
		93,251	27,575
Earnings per share (basic and diluted)	7		
– From continuing operations		7.72 ¢	9.83 ¢
– From discontinued operations		(0.12)¢	(0.65)¢
– Total		7.60 ¢	9.18 ¢

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Balance Sheets

As at 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Non-current assets					
Property, plant and equipment	8	31,420	17,712	–	–
Intangible assets	9	96,933	110,419	–	–
Investment properties	10	3,727	3,727	–	–
Subsidiaries	11	–	–	70,203	72,802
Associates	12	208,482	184,073	–	–
Long-term investments	13	254,542	212,705	5,542	5,802
Other long-term assets		–	15,983	–	–
Deferred tax assets	5	7,582	5,770	–	–
Current assets					
Amounts receivable from subsidiaries	14	–	–	254,483	301,240
Assets of disposal group classified as held for sale		–	89,445	–	–
Trade debtors	15	17,859	15,469	–	–
Other debtors	16	6,767	15,705	436	403
Short-term investments	17	44,066	35,097	–	–
Cash and bank balances	18	29,413	36,032	572	1,263
		98,105	191,748	255,491	302,906
Current liabilities					
Liabilities of disposal group classified as held for sale		–	73,718	–	–
Amounts due to associates		–	2	–	–
Trade creditors	19	7,951	9,166	–	–
Other creditors	20	27,632	14,991	522	684
Bank borrowings	21	82,787	90,108	6,249	52,478
Provision for taxation		404	1,588	129	188
		118,774	189,573	6,900	53,350
Net current (liabilities) / assets		(20,669)	2,175	248,591	249,556
Non-current liabilities					
Bank borrowings	21	83,036	104,909	–	–
Amounts due to associates		–	4,046	–	–
Provision for employee benefits		254	352	–	–
Deferred tax liabilities	5	15,883	24,569	1,050	1,361
Net assets		482,844	418,688	323,286	326,799
Equity attributable to Owners of the Company					
Share capital	22	191,987	191,987	191,987	191,987
Revenue reserve		210,307	193,469	131,323	134,575
Transactions with non-controlling interests		(9,154)	(7,097)	–	–
Capital reserve		137	137	137	137
Cash flow hedge reserve		(774)	(795)	–	–
Fair value adjustment reserve		96,948	27,024	(161)	100
Foreign currency translation reserve		(18,767)	(16,226)	–	–
		470,684	388,499	323,286	326,799
Non-controlling interests		12,160	30,189	–	–
Total equity		482,844	418,688	323,286	326,799

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2017

Group 2017	Share capital (Note 22) S$'000	Revenue reserve S$'000	Transactions with non-controlling interests S$'000	Capital reserve [1] S$'000	Cash flow hedge reserve S$'000	Fair value adjustment reserve [2] S$'000	Foreign currency translation reserve [3] S$'000	Equity attributable to Owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
	Attributable to Owners of the Company									
Balance at 1 January 2017	191,987	193,469	(7,097)	137	(795)	27,024	(16,226)	388,499	30,189	418,688
Profit for the year	–	24,817	–	–	–	–	–	24,817	827	25,644
Other comprehensive income / (loss)										
Net gain on fair value changes of available-for-sale financial assets	–	–	–	–	–	69,924	–	69,924	–	69,924
Share of other comprehensive income of associates	–	–	–	–	21	–	–	21	–	21
Net loss on hedge of net investment	–	–	–	–	–	–	(241)	(241)	–	(241)
Foreign currency translation	–	–	–	–	–	–	(2,300)	(2,300)	203	(2,097)
Other comprehensive income / (loss) for the year	–	–	–	–	21	69,924	(2,541)	67,404	203	67,607
Total comprehensive income / (loss) for the year	–	24,817	–	–	21	69,924	(2,541)	92,221	1,030	93,251
Contributions by and distributions to Owners										
Unclaimed dividend	–	7	–	–	–	–	–	7	–	7
Dividend on ordinary shares (Note 6)	–	(9,801)	–	–	–	–	–	(9,801)	–	(9,801)
Shares re-purchased	–	(215)	–	–	–	–	–	(215)	–	(215)
Total contributions by and distributions to Owners	–	(10,009)	–	–	–	–	–	(10,009)	–	(10,009)

Statements of Changes in Equity (Continued)

For the financial year ended 31 December 2017

Group 2017	Share capital (Note 22) S$'000	Revenue reserve S$'000	Transactions with non-controlling interests S$'000	Capital reserve [1] S$'000	Cash flow hedge reserve S$'000	Fair value adjustment reserve [2] S$'000	Foreign currency translation reserve [3] S$'000	Equity attributable to Owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
	Attributable to Owners of the Company									
Changes in ownership interests in subsidiaries										
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(495)	(495)
Disposal of subsidiary	–	2,030	(2,030)	–	–	–	–	–	(18,488)	(18,488)
Acquisition of non-controlling interests without a change in control	–	–	(27)	–	–	–	–	(27)	(76)	(103)
Total changes in ownership interests in subsidiaries	–	2,030	(2,057)	–	–	–	–	(27)	(19,059)	(19,086)
Total transactions with Owners in their capacity as Owners	–	(7,979)	(2,057)	–	–	–	–	(10,036)	(19,059)	(29,095)
Balance at 31 December 2017	191,987	210,307	(9,154)	137	(774)	96,948	(18,767)	470,684	12,160	482,844

Statements of Changes in Equity (Continued)

For the financial year ended 31 December 2017

Group 2016	Share capital (Note 22) S$'000	Revenue reserve S$'000	Transactions with non-controlling interests S$'000	Capital reserve [1] S$'000	Cash flow hedge reserve S$'000	Fair value adjustment reserve [2] S$'000	Foreign currency translation reserve [3] S$'000	Equity attributable to Owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
	Attributable to Owners of the Company									
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 year	–	29,981	–	–	–	–	–	29,981	(488)	29,493
Other comprehensive income / (loss)										
Net loss on fair value changes of available-for-sale financial assets	–	–	–	–	–	(5,524)	–	(5,524)	–	(5,524)
Share of other comprehensive income of associates	–	–	–	–	13	–	–	13	–	13
Net loss on hedge of net investment	–	–	–	–	–	–	(113)	(113)	–	(113)
Foreign currency translation	–	–	–	(70)	–	–	3,193	3,123	583	3,706
Other comprehensive income / (loss) for the year	–	–	–	(70)	13	(5,524)	3,080	(2,501)	583	(1,918)
Total comprehensive income / (loss) for the year	–	29,981	–	(70)	13	(5,524)	3,080	27,480	95	27,575
Contributions by and distributions to Owners										
Unclaimed dividend	–	3	–	–	–	–	–	3	–	3
Dividend on ordinary shares (Note 6)	–	(13,067)	–	–	–	–	–	(13,067)	–	(13,067)
Total contributions by and distributions to Owners	–	(13,064)	–	–	–	–	–	(13,064)	–	(13,064)

Statements of Changes in Equity (Continued)

For the financial year ended 31 December 2017

Group 2016	Attributable to Owners of the Company								Non-controlling interests S$'000	Total equity S$'000
	Share capital (Note 22) S$'000	Revenue reserve S$'000	Transactions with non-controlling interests S$'000	Capital reserve [(1)] S$'000	Cash flow hedge reserve S$'000	Fair value adjustment reserve [(2)] S$'000	Foreign currency translation reserve [(3)] S$'000	Equity attributable to Owners of the Company S$'000		
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)
Equity contribution	–	–	–	–	–	–	–	–	426	426
Acquisition of non-controlling interests without a change in control	–	–	(867)	–	–	–	–	(867)	(2,265)	(3,132)
Total changes in ownership interests in subsidiaries	–	–	(186)	–	–	–	–	(186)	5,562	5,376
Total transactions with Owners in their capacity as Owners	–	(13,064)	(186)	–	–	–	–	(13,250)	5,562	(7,688)
Balance at 31 December 2016	191,987	193,469	(7,097)	137	(795)	27,024	(16,226)	388,499	30,189	418,688

Statements of Changes in Equity (Continued)

For the financial year ended 31 December 2017

Company 2017	Share capital (Note 22) S$'000	Revenue reserve S$'000	Capital reserve [1] S$'000	Fair value adjustment reserve [2] S$'000	Total equity S$'000
Balance at 1 January 2017	191,987	134,575	137	100	326,799
Profit for the year	–	6,757	–	–	6,757
Other comprehensive loss					
Net loss on fair value changes of available-for-sale financial assets	–	–	–	(261)	(261)
Total comprehensive income / (loss) for the year	–	6,757	–	(261)	6,496
Contributions by and distributions to Owners					
Unclaimed dividend	–	7	–	–	7
Dividend on ordinary shares (Note 6)	–	(9,801)	–	–	(9,801)
Shares re-purchased	–	(215)	–	–	(215)
Total transactions with Owners in their capacity as Owners	–	(10,009)	–	–	(10,009)
Balance at 31 December 2017	191,987	131,323	137	(161)	323,286

Company 2016	Share capital (Note 22) S$'000	Revenue reserve S$'000	Capital reserve [1] S$'000	Fair value adjustment reserve [2] S$'000	Total equity S$'000
Balance at 1 January 2016	191,987	136,081	137	–	328,205
Profit for the year	–	11,558	–	–	11,558
Other comprehensive income					
Net gain on fair value changes of available-for-sale financial assets	–	–	–	100	100
Total comprehensive income for the year	–	11,558	–	100	11,658
Contributions by and distributions to Owners					
Unclaimed dividend	–	3	–	–	3
Dividend on ordinary shares (Note 6)	–	(13,067)	–	–	(13,067)
Total transactions with Owners in their capacity as Owners	–	(13,064)	–	–	(13,064)
Balance at 31 December 2016	191,987	134,575	137	100	326,799

(1) This reserve is not available for distribution as dividend.

(2) This represents the cumulative fair value changes of available-for-sale financial assets until they are derecognised or impaired.

(3) This represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's functional currency. This also includes net gains and losses on hedge of net investment.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Cash flows from operating activities			
Profit before tax from continuing operations		26,882	42,005
Loss before tax from discontinued operations		(407)	(2,145)
Profit before tax, total		26,475	39,860
Adjustments for:			
Depreciation and amortisation	8, 9	5,283	6,463
Loss on disposal of property, plant and equipment		–	124
Gain on disposal of subsidiary		(2,817)	–
Finance costs	4	5,153	5,993
Interest income		(340)	(691)
Dividend income		(3,757)	(2,833)
Gain on sale of long-term investments		(13,199)	(8,270)
Provision for doubtful debts	15	856	898
Fair value adjustment		(875)	(6,812)
Share of profit of associates		(18,792)	(34,426)
Operating (loss) / profit before reinvestment in working capital		(2,013)	306
Increase in debtors		(3,430)	(7,100)
Increase in short-term investments		(4,946)	(16,802)
Increase / (decrease) in creditors		12,542	(9,754)
Cash flows from / (used in) operations		2,153	(33,350)
Interest paid		(5,093)	(5,845)
Interest received		330	676
Income tax paid		(1,924)	(1,899)
Net cash flows used in operating activities		(4,534)	(40,418)

Consolidated Cash Flow Statement (Continued)

For the financial year ended 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(30,311)	(1,496)
Proceeds from disposal of property, plant and equipment		–	17
Purchase of intangible assets		(1,826)	(1,913)
Purchase of long-term investments		(23,277)	(59,665)
Proceeds from sale of long-term investments		49,535	55,921
Acquisition of subsidiary, net of cash acquired	11	(1,921)	–
Disposal of subsidiaries, net of cash	11	(63,948)	–
Net dividend received from associates		18,715	16,139
Dividend income received		3,429	2,467
Net cash flows (used in) / from investing activities		(49,604)	11,470
Cash flows from financing activities			
Unclaimed dividend		7	3
Dividend paid	6	(9,801)	(13,067)
Shares re-purchased		(215)	–
Proceeds from issuance of shares to non-controlling interests		–	8,600
Dividend paid to non-controlling interests	11	(495)	(518)
Acquisition of non-controlling interests		(103)	(3,132)
(Repayment of) / proceeds from bank borrowings	21	(18,495)	39,060
Net cash flows (used in) / from financing activities		(29,102)	30,946
Net (decrease) / increase in cash and cash equivalents		(83,240)	1,998
Effect of exchange rate changes in opening cash and cash equivalents		(801)	81
Cash and cash equivalents at 1 January	18	113,454	111,375
Cash and cash equivalents at 31 December	18	29,413	113,454

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1. Corporate information

G. K. Goh Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore.

The Company is a subsidiary of GKG Investment Holdings Pte Ltd which is incorporated in Singapore.

The registered office and principal place of business of G. K. Goh Holdings Limited is located at 50 Raffles Place, #33-00 Singapore Land Tower, Singapore 048623.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed below. There has been no significant change in the nature of these activities during the financial year.

In the financial statements, related companies refer to members of the GKG Investment Holdings Pte Ltd group of companies.

Major subsidiaries and associates of the Group are as follows:

	Name	Principal place of business / Country of incorporation	Principal activities	Proportion (%) of ownership interest 2017	2016
	Subsidiaries				
	Investment holding				
*	Allium Healthcare Holdings Pte Ltd	Singapore	Investment holding and management consultancy services	100	100
*#	Allium Healthcare Services Pte Ltd	Singapore	Healthcare related services	100	–
*#	Allium Healthcare (Singapore) Pte Ltd (formerly known as Allium Singapore (Central) Pte Ltd)	Singapore	Nursing home operator	100	100
**#	Allium Holdings Pty Ltd	Australia	Investment holding	100	100
*#	Allium Investments Pte Ltd	Singapore	Investment holding	100	100
*	Ardisia Limited	Singapore / British Virgins Islands	Investment holding	100	100
*	Cacona Pte Ltd	Singapore	Investment holding	100	100

1. Corporate information (cont'd)

	Name	Principal place of business / Country of incorporation	Principal activities	Proportion (%) of ownership interest 2017	2016
	Subsidiaries				
	Investment holding				
*	G. K. Goh Strategic Holdings Pte Ltd	Singapore	Investment holding	100	100
*	Perilla Pte Ltd	Singapore	Investment holding	100	100
*	Salacca Pte Ltd	Singapore	Investment holding	100	100
*	Saliendra Pte Ltd	Singapore	Investment holding	100	100
*	Solanum Investment Pte Ltd	Singapore	Investment holding	100	100
	Corporate services				
*#	Boardroom Limited	Singapore	Investment holding	87	87
*#	Boardroom Corporate & Advisory Services Pte Ltd	Singapore	Corporate secretarial and share registry services	87	87
*#	Boardroom Business Solutions Pte Ltd	Singapore	Accounting, taxation and payroll services	87	87
^#	Boardroom Holdings Australia Pty Ltd	Australia	Investment holding	87	87
**#	Boardroom Corporate Services (HK) Limited	Hong Kong	Corporate secretarial, accounting, taxation and payroll services	87	87
**#	Boardroom (Malaysia) Sdn Bhd	Malaysia	Investment holding	87	87
*#	Boardroom China Holdings Pte Ltd	Singapore	Investment holding	87	87

1. Corporate information (cont'd)

	Name	Principal place of business / Country of incorporation	Principal activities	Proportion (%) of ownership interest 2017	2016
	Associates				
**#(1)	ACIT Finance Pty Ltd	Australia	Residential aged care services	50	50
**#(1)	DAC Finance Pty Ltd	Australia	Residential aged care services	48	48
**#(1)	Principal Healthcare Finance Trust	Australia	Residential aged care services	48	48
**#(1)	Principal Healthcare Finance Pty Ltd	Australia	Residential aged care services	50	50
*#	Habitat Assets Pte Ltd	Singapore	Investment holding	36	55
*#	Value Monetization III Ltd	Australia / British Virgin Islands	Investment holding	29	29

* Audited by Ernst & Young LLP, Singapore
** Audited by member firms of Ernst & Young
^ Audited by Deloitte Australia
\# Held by subsidiaries
(1) Collectively known as Opal Aged Care Group. Shares and units in these entities are stapled, and as such, an interest in one entity cannot be issued, transferred, redeemed or bought back, unless the equivalent proportion of securities in the other entities are also issued, transferred, redeemed or bought back.

In appointing the auditing firms of the Company, subsidiaries and significant associates, the Company has complied with Listing Rules 712 and 715.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "S$") and all values in the tables are rounded to the nearest thousand ("S$'000"), except when otherwise indicated.

2. Summary of significant accounting policies (cont'd)

2.1 *Basis of preparation (cont'd)*

Convergence with International Financial Reporting Standards

For annual financial periods beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). On transition to SFRS(I), the Group plans to elect the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The Group expects to reclassify the loss of S$16,226,000 in foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

Other than the effects of the matter as described above, the Group expects that the adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting SFRS(I) 9 and SFRS(I) 15 will be similar to the impact of adopting FRS 109 and FRS 115 as disclosed in Note 2.3.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised Standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2017. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 40 *Transfers of Investment Property*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Improvements to FRSs (December 2016)	1 January 2018
Amendments to FRS 28 *Long-term interests in Associates and Joint Ventures*	1 January 2019
Improvements to FRSs (March 2018)	1 January 2019
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognise any difference between the previous carrying amount and the carrying amount at the date of initial application in the opening retained earnings.

The Group will continue to measure its held-for-trading equity securities and quoted warrants at fair value through profit or loss, and will elect to measure its available-for-sale equity securities and unit trust funds at fair value through other comprehensive income. In addition, the Group currently measures some of its investments in unquoted equity securities amounting to S$13,682,000 at cost. Under FRS 109, the Group will be required to measure the investments at fair value. The difference between the current carrying amount under FRS 39 and the fair value would be recognised in the opening retained earnings when the Group applies FRS 109. The Group does not expect any significant impact to arise from these changes.

FRS 109 requires the Group to record expected credit losses on all of its trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group does not expect a significant increase in credit loss provisions given its historical and projected experience of credit loss.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Except for the recognition of reimbursements for out-of-pocket expenses, the Group does not expect any significant impact to arise from the adoption of FRS 115. Out-of-pocket expenses are expenses that are incurred by service providers while performing work for their customers. It is common in service arrangements for the parties to agree that the customer will reimburse the service provider for some or all of the out-of-pocket expenses. Under FRS 115, the Group is the principal in these situations because it controls the specified goods or services before they are transferred to the customers and should therefore recognise reimbursements for out-of-pocket expenses as revenue.

Upon the adoption of FRS 115, the Group expects to record an adjustment to increase revenue, with a corresponding increase in other operating expenses for the financial year ended 31 December 2017. There will be no impact on the net profit for the financial year.

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented using the full retrospective approach.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of "low value" assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption will result in increases in total assets and total liabilities, EBITDA and gearing ratio.

2.4 *Significant accounting estimates and judgements*

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgements (cont'd)*

Judgements made in applying accounting policies

(a) *Accounting for Opal Aged Care Group ("Opal") as an associate*

The Group owns 48% of the stapled interest in Opal together with AMP Life Limited, who also owns 48%, and Opal's management who holds the balance. The Group has significant influence over Opal in the form of board representation and participation in policy-making processes, but does not have joint control over the asset management and financing decisions. As such, the Group accounts for Opal as an associate. Further details may be found in Note 12.

(b) *Impairment of available-for-sale financial assets*

The Group classifies certain assets as available-for-sale financial assets and recognises changes in their fair values in equity. When the fair value declines, management exercises judgement based on the observable data relating to the possible events that may have caused the decline to determine whether it is an impairment that should be recognised in profit or loss. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its costs. Further details may be found in Note 13.

Key sources of estimation uncertainty

(a) *Taxation*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for taxation. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due, and judgements as to whether certain transactions are subject to taxation. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made. The carrying amounts of the Group's tax payables and deferred tax liabilities at 31 December 2017 were S$404,000 (2016: S$1,588,000) and S$15,883,000 (2016: S$24,569,000) respectively.

Deferred tax assets are recognised for all unutilised losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The carrying value of deferred tax assets at 31 December 2017 was S$7,582,000 (2016: S$5,770,000) and the unrecognised tax losses at 31 December 2017 was S$677,000 (2016: S$4,977,000).

Further details may be found in Note 5.

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgements (cont'd)*

Key sources of estimation uncertainty (cont'd)

(b) ***Impairment of intangible assets***

The recoverable amounts of the cash generating units which goodwill, brand name and customer relationships have been allocated to are determined based on value in use calculations. The value in use calculations are based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use are disclosed in Note 9.

(c) ***Amortisation of intangible assets***

Brand name and customer relationships are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of brand name and customer relationships to be within 3 to 20 years. The life expectancies applied are based on management's assessment on the current market share of the brand and the expected customer's contract period.

Deferred management fee is amortised on a straight-line basis over the estimated useful life of 10 years.

Further details may be found in Note 9.

(d) ***Estimation of fair value of the Group's financial instruments***

The Group fair values its long-term investments and trading securities using the following valuation sources:

(i) current prices in an active market for the quoted equity securities; and
(ii) quotes from fund managers for the unquoted equity securities and unit trusts.

The final recoverable values of the Group's unquoted investments could be different from the recorded fair values. Where the final value on disposal of the Group's unquoted investments is different from the fair value, such differences will impact the consolidated income statement in the financial year in which such determination is made. The carrying amounts of the Group's investments are disclosed in Notes 13 and 17.

2. Summary of significant accounting policies (cont'd)

2.5 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.5 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill (cont'd)*

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whether there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.6 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (cont'd)

2.7 *Functional and foreign currencies*

(a) *Functional currency*

The Group's consolidated financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured by that functional currency.

(b) *Foreign currencies*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investments in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rates for the financial year. The exchange differences are recognised in other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in its subsidiaries are accounted for at cost less any impairment losses.

Details of the subsidiaries are disclosed in Note 1.

2. Summary of significant accounting policies (cont'd)

2.9 *Associates and joint ventures*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate and joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The profit or loss reflects the share of results of operations of the associates and joint ventures. Distributions received from associates and joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains or losses resulting from transactions between the Group and the associates and joint ventures are eliminated to the extent of the interest in the investments.

When the Group's share of losses in an associate and joint venture equals or exceeds its interest in the investment, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses.

2. Summary of significant accounting policies (cont'd)

2.10 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of the following assets is computed on a straight-line basis over their estimated useful lives:

Computer and automation equipment	–	3 years
Office equipment	–	3 to 5 years
Furniture, fittings and leasehold improvements	–	3 to 6 years or over lease term, whichever is shorter
Motor vehicles	–	5 years
Leasehold land	–	over lease term

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.11 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. Summary of significant accounting policies (cont'd)

2.11 *Intangible assets (cont'd)*

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(a) *Brand name*

The brand name was acquired in business combinations. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses. The brand name has a finite useful life and is amortised over the estimated useful life of 20 years on a straight-line basis.

(b) *Customer relationships*

Customer relationships were acquired in business combinations. Following initial recognition, they are carried at cost less accumulated amortisation and any accumulated impairment losses. Customer relationships have a finite useful life and are amortised over the expected contract period of 3 to 20 years on a straight-line basis.

(c) *Computer software*

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful lives of 2 to 8 years.

2. Summary of significant accounting policies (cont'd)

2.12 *Investment properties*

Investment properties are initially recorded at cost, including transaction costs. Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed on a straight-line basis over the lease term of the properties.

Freehold land has unlimited useful life and therefore is not depreciated.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.13 *Impairment of non-financial assets*

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The subsequent measurement of financial assets depends on their classification as follows:

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives, are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or losses on financial assets at fair value through profit or loss include exchange differences.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(b) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets (cont'd)*

(c) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the assets to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(d) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held-for-trading, nor designated as fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant exchange's quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis and option pricing models.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial assets (cont'd)*

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

2.15 *Financial liabilities*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classifications as follows:

(a) ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held-for-trading. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(b) ***Other financial liabilities***

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.16 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised, are not included in collective assessment of impairment.

If there is objective evidence that an impairment loss on financial asset carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of the impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial asset has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary of significant accounting policies (cont'd)

2.16 *Impairment of financial assets (cont'd)*

(c) *Available-for-sale financial assets*

Significant or prolonged decline in fair value below costs, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that equity investments classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income to profit or loss. Reversals in respect of equity instruments are not recognised in profit or loss; increases in their fair values after impairment are recognised directly in other comprehensive income. Reversals of impairment losses on debt instruments are recognised in profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.17 *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and cash with banks or financial institutions, including short-term fixed deposits. These also include bank overdrafts that form an integral part of the Group's cash management.

2.18 *Uncompleted contracts*

Uncompleted contracts in respect of investment transactions are stated at their net contracted values, including related brokerage and other recoveries such as stamp duties.

2.19 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2. Summary of significant accounting policies (cont'd)

2.20 *Employee benefits*

(a) *Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.21 *Leases*

(a) *As lessee*

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. The accounting policy for rental income is set out in Note 2.22(d).

2.22 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payments and excluding taxes or duties.

(a) *Corporate services revenue*

Corporate services revenue is recognised upon delivery of the services to the customers.

(b) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

2. Summary of significant accounting policies (cont'd)

2.22 *Revenue recognition (cont'd)*

(c) *Interest income*

Interest income is recognised using the effective interest method.

(d) *Rental income*

Rental income is accounted for on a straight-line basis over the lease terms.

2.23 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.24 *Taxation*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.24 *Taxation (cont'd)*

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2. Summary of significant accounting policies (cont'd)

2.24 *Taxation (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.25 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(i) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2. Summary of significant accounting policies (cont'd)

2.26 *Hedge accounting*

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

(a) fair value hedges when hedging the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment; or

(b) cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or

(c) hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Hedges of a net investment

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of such gains or losses recorded in equity is transferred to profit or loss.

Further details are disclosed in Note 29.

3. Revenue

The breakdown of revenue is as follows:

	Group 2017 S$'000	Group 2016 S$'000
Corporate services revenue	71,154	67,915
Investment income:		
Fair value adjustment for short-term investments	4,023	(1,005)
Fair value adjustment for long-term investments (Note 13)	(3,148)	7,817
Gain on sale of short-term investments	2,915	312
Gain on sale of long-term investments:		
– Transferred from equity on disposal of investments	2,987	13,157
– Recognised directly in profit or loss	10,212	(4,887)
Dividend income	3,757	2,833
Interest income:		
– Bank deposits	318	594
– Others	22	97
Gain on disposal of subsidiary	2,817	–
Other income:		
Deferred management fee income	1,263	4,529
Rental income	854	380
Others	1,287	1,557
	98,461	93,299

4. Other operating expenses and finance costs

	Group 2017 S$'000	Group 2016 S$'000
Included in other operating expenses are:		
Fees paid to Auditor of the Company:		
Audit fees	(463)	(458)
Non-audit fees	(69)	(66)

Other operating expenses also include legal, investment consulting and advisory fees.

4. Other operating expenses and finance costs (cont'd)

	Group 2017 S$'000	Group 2016 S$'000
Finance costs		
Interest expense:		
Bank loans and overdrafts	(5,100)	(5,969)
Others	(53)	(24)
	(5,153)	(5,993)

5. Taxation

(a) *Major components of income tax expense*

The major components of income tax expense for the financial years ended 31 December 2017 and 2016 were:

	Group 2017 S$'000	Group 2016 S$'000
Income statement		
Current income tax:		
Current year	(3,503)	(3,681)
Overprovision in respect of prior years	490	71
Deferred tax:		
Benefits from unutilised tax losses	2,062	2,383
Unrealised fair value gain	(652)	(1,177)
Acquired intangibles	428	575
Undistributed profits in associates	129	(8,355)
Foreign interest income	(214)	(194)
Foreign dividend income	(28)	(18)
Differences in depreciation	110	(1)
Provision for employee benefits	(2)	–
Overprovision in respect of prior years	349	30
	(831)	(10,367)
Statement of comprehensive income		
Deferred tax related to other comprehensive income:		
Net loss on fair value changes of available-for-sale financial assets	243	2,509

5. Taxation (cont'd)

(b) *Relationship between tax expense and accounting profit*

The statutory income tax rate applicable to Singapore companies is 17% (2016: 17%).

A reconciliation of the Group's effective tax rate applicable to income for the respective financial years ended 31 December is as follows:

	Group	
	2017 S$'000	2016 S$'000
Profit before tax from continuing operations	26,882	42,005
Loss before tax from discontinued operations	(407)	(2,145)
Accounting profit before tax	26,475	39,860
Statutory tax rate	(4,501)	(6,776)
Tax effect of:		
Income not subject to tax	3,493	993
Expenses not deductible for income tax purposes	(1,834)	(1,830)
Share of profit of associates	3,122	2,247
Tax deducted at source	(1,282)	(1,318)
Difference in foreign tax rate	(692)	(3,426)
Capital allowance and enhanced allowance	348	331
Overprovision in respect of prior years	839	101
Deferred tax asset not recognised	–	(576)
Benefits from previously unrecognised tax losses	20	–
Qualifying income under concessionary tax rate	10	–
Others	(354)	(113)
Tax expense	(831)	(10,367)

The nature of income not subject to tax is as follows:

	Group	
	2017 S$'000	2016 S$'000
Gain on sale of long-term investments	1,883	213
Gain on disposal of subsidiary	272	–
Exempt dividend income	488	347
Exchange gain arising from revaluation of non-trade balances	348	–
Tax exempted income	464	389
Others	38	44
	3,493	993

5. Taxation (cont'd)

(b) *Relationship between tax expense and accounting profit (cont'd)*

The nature of expenses that are not deductible for income tax purposes are as follows:

	Group	
	2017 S$'000	2016 S$'000
Finance costs	(637)	(751)
Fair value adjustment for long-term investments	(504)	(18)
Exchange loss arising from revaluation of non-trade balances	–	(166)
Provision for doubtful debts	(35)	(47)
Others	(658)	(848)
	(1,834)	(1,830)

(c) *Deferred tax*

An analysis of the deferred tax assets and liabilities is as follows:

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Deferred tax assets				
Unutilised tax losses	8,188	6,505	–	–
Unrealised fair value loss	896	1,263	–	–
Provision for long-term employee benefits	136	1,010	–	–
Differences in depreciation	78	–	–	–
	9,298	8,778	–	–
Deferred tax liabilities				
Acquired intangibles	(7,801)	(17,273)	–	–
Undistributed profits in associates	(8,353)	(8,502)	–	–
Foreign interest income not remitted	(1,102)	(1,291)	(968)	(1,279)
Foreign dividend income not remitted	(343)	(315)	(82)	(82)
Differences in depreciation	–	(196)	–	–
	(17,599)	(27,577)	(1,050)	(1,361)
Net deferred tax liabilities	(8,301)	(18,799)	(1,050)	(1,361)

5. Taxation (cont'd)

(c) *Deferred tax (cont'd)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated balance sheet. The following is an analysis of the deferred tax balances of the Group for financial reporting purpose:

	Group	
	2017 S$'000	2016 S$'000
Net deferred tax assets recognised in the consolidated balance sheet	7,582	5,770
Net deferred tax liabilities recognised in the consolidated balance sheet	(15,883)	(24,569)
Net deferred tax liabilities	(8,301)	(18,799)

At the end of the reporting period, the Group had tax losses of approximately S$677,000 (2016: S$4,977,000) that were available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset was recognised due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

(d) *Tax consequences of proposed dividend*

There are no income tax consequences attached to the dividend to shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 6).

6. Dividend

	Group and Company	
	2017	2016
	S$'000	S$'000
Final dividend paid: 3.0 cents (2016: 4.0 cents) per ordinary share	9,801	13,067

The directors propose that a final one-tier tax exempt dividend of 3.0 cents (2016: 3.0 cents) per ordinary share, and a special one-tier tax exempt dividend of 3.0 cents (2016: Nil) per ordinary share, amounting to S$19,582,000 (2016: S$9,801,000) be paid for the financial year ended 31 December 2017, subject to shareholders' approval at the Annual General Meeting. The financial statements do not recognise this dividend as a liability.

7. Earnings per share

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit net of tax attributable to Owners of the Company of S$24,817,000 (2016: S$29,981,000), by the weighted average number of ordinary shares outstanding during the financial year:

	Group and Company	
	2017	2016
	'000	'000
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	326,660	326,687

8. Property, plant and equipment

Group	Land and building S$'000	Plant and equipment S$'000	Computer and automation equipment S$'000	Office equipment S$'000	Furniture, fittings and leasehold improvements S$'000	Motor vehicles S$'000	Assets under construction S$'000	Total S$'000
Cost								
At 1 January 2016	15,053	120	4,245	780	3,227	894	–	24,319
Additions	71	8	1,059	131	227	–	–	1,496
Disposals	–	(22)	(113)	(74)	(1,315)	–	–	(1,524)
Attributable to discontinued operations	–	–	(2,865)	(301)	(441)	–	–	(3,607)
Currency realignment	176	4	(12)	11	8	4	–	191
At 31 December 2016 and at 1 January 2017	15,300	110	2,314	547	1,706	898	–	20,875
Additions	25,331	–	1,504	44	399	–	3,033	30,311
Capitalisation	–	–	–	–	–	–	698	698
Disposals	–	–	(11)	(6)	(10)	–	–	(27)
Disposal of subsidiaries	(15,701)	(116)	(27)	–	(112)	(135)	–	(16,091)
Currency realignment	379	6	(43)	(7)	(44)	11	–	302
At 31 December 2017	25,309	–	3,737	578	1,939	774	3,731	36,068

8. Property, plant and equipment (cont'd)

Group	Land and building S$'000	Plant and equipment S$'000	Computer and automation equipment S$'000	Office equipment S$'000	Furniture, fittings and leasehold improvements S$'000	Motor vehicles S$'000	Assets under construction S$'000	Total S$'000
Accumulated depreciation								
At 1 January 2016	8	2	3,371	467	2,334	555	–	6,737
Charge for the year	54	18	617	88	345	121	–	1,243
Disposals	–	(2)	(102)	(64)	(1,215)	–	–	(1,383)
Attributable to discontinued operations	–	–	(2,736)	(279)	(429)	–	–	(3,444)
Currency realignment	5	3	(12)	9	2	3	–	10
At 31 December 2016 and at 1 January 2017	67	21	1,138	221	1,037	679	–	3,163
Charge for the year	15	4	570	79	280	99	–	1,047
Charge for the year capitalised	698	–	–	–	–	–	–	698
Disposals	–	–	(11)	(6)	(7)	–	–	(24)
Disposal of subsidiaries	(93)	(29)	(14)	(1)	–	(27)	–	(164)
Currency realignment	11	4	(44)	(7)	(45)	9	–	(72)
At 31 December 2017	698	–	1,639	286	1,265	760	–	4,648
Net book value								
At 31 December 2016	15,233	89	1,176	326	669	219	–	17,712
At 31 December 2017	24,611	–	2,098	292	674	14	3,731	31,420

9. Intangible assets

Group	Goodwill on consolidation S$'000	Brand name S$'000	Customer relationships S$'000	Computer software S$'000	Deferred management fee S$'000	Total S$'000
Cost						
At 1 January 2016	57,227	21,087	22,023	3,764	16,662	120,763
Additions	–	–	–	1,913	–	1,913
Disposals	–	–	–	(10)	–	(10)
Currency realignment	721	11	27	37	191	987
At 31 December 2016 and at 1 January 2017	57,948	21,098	22,050	5,704	16,853	123,653
Additions	–	–	167	1,659	–	1,826
Disposals	–	–	–	(1)	–	(1)
Acquisition of subsidiary	576	–	1,921	–	–	2,497
Disposal of subsidiaries	–	–	–	–	(17,261)	(17,261)
Currency realignment	(236)	27	(301)	(21)	408	(123)
At 31 December 2017	58,288	21,125	23,837	7,341	–	110,591
Accumulated amortisation						
At 1 January 2016	–	1,984	4,030	549	1,527	8,090
Charge for the year	–	1,050	2,133	381	1,656	5,220
Disposals	–	–	–	(10)	–	(10)
Currency realignment	–	(67)	(58)	12	47	(66)
At 31 December 2016 and at 1 January 2017	–	2,967	6,105	932	3,230	13,234
Charge for the year	–	1,062	2,176	565	433	4,236
Disposals	–	–	–	(1)	–	(1)
Disposal of subsidiaries	–	–	–	–	(3,740)	(3,740)
Currency realignment	–	20	(161)	(7)	77	(71)
At 31 December 2017	–	4,049	8,120	1,489	–	13,658
Net book value						
At 31 December 2016	57,948	18,131	15,945	4,772	13,623	110,419
At 31 December 2017	58,288	17,076	15,717	5,852	–	96,933

9. Intangible assets (cont'd)

Goodwill, brand name and customer relationships arising from the Boardroom acquisition have been allocated to four cash-generating units ("CGU") for impairment testing. The carrying amounts allocated to each CGU are as follows:

CGU	Goodwill on consolidation S$'000	Brand name S$'000	Customer relationships S$'000
2017			
Singapore	23,239	7,413	5,723
Australia	28,862	8,607	7,900
Malaysia	3,625	1,056	930
Hong Kong	2,562	–	1,164
	58,288	17,076	15,717
2016			
Singapore	23,239	7,872	6,408
Australia	28,370	9,163	7,141
Malaysia	3,545	1,096	920
Hong Kong	2,794	–	1,476
	57,948	18,131	15,945

Impairment testing of goodwill, brand name and customer relationships

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections approved by management covering a five-year period. The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	Group	
	2017	2016
Discount rates	9% to 13%	8% to 13%
Growth rates	2% to 3%	2%

The calculations of value in use are most sensitive to the following assumptions:

Net profitability – Net profitability is based on management's assessment of the expected margins.

Discount rate – Discount rates reflect market assessment of the time value of money. This is the benchmark used by management to assess operating performance of the acquired businesses.

Growth rates – The forecasted rates are based on management's assessment of the long-term average growth rates of the acquired businesses.

9. Intangible assets (cont'd)

Impairment testing of goodwill, brand name and customer relationships (cont'd)

Management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

10. Investment properties

	Group 2017 S$'000	Group 2016 S$'000
Freehold land, at cost	3,727	3,727

The Group has no restrictions on the realisability of its investment properties.

The Group's investment properties are as follows:

Description and location	Existing use	Tenure	Fair value 2017 S$'000	Fair value 2016 S$'000
Four plots of land Mukim Pulai, Johor Bahru Malaysia	Vacant	Freehold	6,067	5,933

The fair value has been determined based on valuations performed by an accredited independent valuer. Further details may be found in Note 28.

11. Subsidiaries

	Company 2017 S$'000	Company 2016 S$'000
Unquoted shares, at cost	83,967	91,102
Impairment losses	(13,764)	(18,300)
	70,203	72,802

During the financial year, management performed impairment tests on its subsidiaries. The recoverable amounts of its subsidiaries were determined based on fair value less costs to sell. As the subsidiaries were principally investment holding vehicles and their fair values were determined by the values of their underlying investments, changes in the impairment losses were recorded as a result. The impairment losses written back in the financial year were S$4,536,000 (2016: S$5,305,000).

(a) *Interest in subsidiaries with material non-controlling interests ("NCI")*

The Group's investments in the following subsidiaries have NCI that are material to the Group:

Name of subsidiary	Proportion of ownership interest held by NCI	Profit / (loss) allocated to NCI during the year S$'000	Accumulated NCI at end of the year S$'000	Dividend paid to NCI S$'000
2017				
Boardroom Limited	13%	1,169	12,160	495
Habitat Assets Pte Ltd	–	(342)	–	–
2016				
Boardroom Limited	13%	739	11,804	518
Habitat Assets Pte Ltd	45%	(1,227)	18,385	–

11. Subsidiaries (cont'd)

(b) *Summarised financial information of subsidiaries with material NCI*

Summarised financial information, including goodwill on acquisition and consolidation adjustments but before intercompany eliminations, of subsidiaries with material NCI are as follows:

Summarised balance sheet

	Boardroom Limited		Habitat Assets Pte Ltd	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Current				
Assets	41,408	37,398	–	12,187
Liabilities	(19,453)	(17,658)	–	(3,864)
Net current assets	21,955	19,740	–	8,323
Non-current				
Assets	100,091	99,029	–	56,204
Liabilities	(15,141)	(16,676)	–	(23,154)
Net non-current assets	84,950	82,353	–	33,050
Net assets	106,905	102,093	–	41,373

Summarised statement of comprehensive income

	Boardroom Limited		Habitat Assets Pte Ltd	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Revenue	72,404	68,825	–	5,842
Profit / (loss) before tax	10,496	7,137	–	(1,437)
Taxation	(1,332)	(1,378)	–	(585)
Profit / (loss) after tax	9,164	5,759	–	(2,022)
Other comprehensive (loss) / income	(494)	1,007	–	–
Total comprehensive income / (loss)	8,670	6,766	–	(2,022)

Other summarised information

	Boardroom Limited		Habitat Assets Pte Ltd	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Net cash flows from / (used in) operations	11,440	7,256	–	(10,998)
Purchase of non-current assets	3,555	2,988	–	207

11. Subsidiaries (cont'd)

(c) *Acquisition of Boardworx Pty Ltd*

On 3 July 2017, the Group, through its subsidiary Boardroom Limited, acquired 100% equity interest in Boardworx Pty Ltd ("Boardworx"). Upon acquisition, Boardworx became a subsidiary of the Group.

The fair value of the identifiable assets and liabilities of Boardworx as at the acquisition date were:

	Fair value recognised on acquisition S$'000
Intangible assets	1,921
Deferred tax liabilities	(576)
Total identifiable net assets at fair value	1,345
Goodwill arising from acquisition	576
	1,921
Consideration transferred for the acquisition	
Consideration settled in cash	1,921
Effect of the acquisition on cash flows	
Net cash outflow on acquisition	1,921

Goodwill arising from acquisition

The goodwill of S$576,000 is attributable to the value of strengthening the Group's operational footprint and presence in Australia, and the premium to acquire a controlling stake in Boardworx.

Impact of the acquisition on profit or loss

The revenue and profit contribution from this new acquisition were not material.

11. Subsidiaries (cont'd)

(d) *Disposal of G. K. Goh Financial Services (S) Pte Ltd*

On 12 December 2016, the Company announced its decision to dispose of its wholly-owned subsidiary, G. K. Goh Financial Services (S) Pte Ltd ("GKGFS"), which was previously reported in the financial services segment.

The assets and liabilities related to GKGFS as at 31 December 2016 had been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". Its results were presented separately on profit or loss as "Loss from discontinued operations, net of tax". The disposal of GKGFS was completed on 28 February 2017.

The value of assets and liabilities of GKGFS recorded in the consolidated financial statements as at 28 February 2017, and the effects of the disposal were:

	2017 S$'000
Property, plant and equipment	156
Trade and other debtors	12,586
Cash and bank balances	71,191
	83,933
Trade and other creditors	(72,072)
Carrying value of net assets	11,861
Cash consideration	11,675
Cash and cash equivalents of GKGFS	(71,191)
Net cash outflow on disposal	(59,516)
Loss on disposal	
Cash received	11,675
Net assets derecognised	(11,861)
Loss on disposal	(186)

11. Subsidiaries (cont'd)

(e) *Disposal of Habitat Assets Pte Ltd*

On 27 April 2017, Habitat Assets Pte Ltd ("Habitat") issued and allotted 25 million new redeemable preference shares to an unrelated third-party investor for a total cash consideration of A$25 million. The Group's interest in Habitat was diluted from 55% to 38% as a result. The dilution of interest was regarded as a disposal of Habitat as a subsidiary and an acquisition as an associate company.

The value of assets and liabilities of Habitat recorded in the consolidated financial statements as at 27 April 2017, and the effects of the disposal were:

	2017 S$'000
Property, plant and equipment	15,934
Intangible assets	13,521
Long-term investments	11,920
Other long-term assets	16,375
Trade and other debtors	8,004
Cash and bank balances	4,432
	70,186
Trade and other creditors	(7,736)
Bank borrowings	(10,699)
Provision for taxation	(1,001)
Deferred tax liabilities	(8,814)
	41,936
Net assets attributable to non-controlling interests	(18,488)
Carrying value of net assets	23,448
Cash consideration	–
Cash and cash equivalents of Habitat	(4,432)
Net cash outflow on disposal	(4,432)
Gain on disposal	
Fair value of retained interest	26,265
Net assets derecognised	(23,448)
Gain on disposal	2,817

12. Associates

The Group's investments in associates are summarised below:

	Group	
	2017 S$'000	2016 S$'000
Opal Aged Care Group	175,327	176,161
Habitat Assets Pte Ltd	25,571	–
Other associates	7,584	7,912
	208,482	184,073

The Group has not recognised losses relating to Bromius Capital Limited where its share of losses exceeds the Group's interest in the associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was S$4,759,000 (2016: S$2,324,000) of which S$2,435,000 (2016: S$459,000) was the share of current year's losses. The Group has no obligation in respect of these losses.

Aggregate information about the Group's investments in associates that are not individually material is as follows:

	2017 S$'000	2016 S$'000
Loss after tax	(3,924)	(1,575)
Other comprehensive income	–	–
Total comprehensive loss	(3,924)	(1,575)

12. Associates (cont'd)

The summarised financial information in respect of Opal Aged Care Group, based on its financial statements, and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	2017 S$'000	2016 S$'000
Current assets	134,700	119,944
Non-current assets	1,607,684	1,481,653
Total assets	1,742,384	1,601,597
Current liabilities	(1,036,971)	(1,131,349)
Non-current liabilities	(362,933)	(130,658)
Total liabilities	(1,399,904)	(1,262,007)
Net assets	342,480	339,590
Proportion of the Group's ownership	48%	48%
Group's share of net assets	163,089	161,713
Goodwill on acquisition	15,602	15,602
Other adjustments	(3,364)	(1,154)
Carrying amount of the investment	175,327	176,161

Summarised statement of comprehensive income

	2017 S$'000	2016 S$'000
Revenue	627,548	592,364
Profit after tax	38,913	71,925
Other comprehensive income	40	46
Total comprehensive income	38,953	71,971

Dividends received from Opal Aged Care Group amounted to S$18,715,000 (2016: S$16,139,000) during the financial year.

13. Long-term investments

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Available-for-sale				
Quoted equity securities	39,277	61,473	–	–
Unquoted unit trust funds, at fair value	74,205	69,588	–	–
Unquoted equity securities, at fair value	127,047	59,531	5,542	5,802
Unquoted equity securities, at cost	13,682	21,741	–	–
Fair value through profit or loss				
Quoted warrants	331	372	–	–
	254,542	212,705	5,542	5,802

For the financial year, the Group recognised the following fair value adjustments which impacted profit or loss pertaining to the long-term investments:

	Group	
	2017 S$'000	2016 S$'000
Impairment charged during the year	(3,148)	(311)
Reversal of impairment upon disposal during the year	–	8,128
	(3,148)	7,817

14. Amounts receivable from subsidiaries

The short-term receivables from subsidiaries comprise unsecured loans repayable as follows:

	Company	
	2017 S$'000	2016 S$'000
Repayable on demand at interest of 3.00% (2016: 3.00%) per annum	16,377	26,945
Repayable on demand at interest of 2.10% to 2.73% (2016: 1.88% to 2.30%) per annum	59,983	63,039
Repayable on demand at interest of 0.86% (2016: 0.86%) per annum	3,549	3,696
Repayable on demand at interest of 1.69% to 1.80% (2016: Nil) per annum	2,700	–
Repayable on demand at interest of 2.11% to 2.51% (2016: 2.11% to 2.51%) per annum	–	17,629
Repayable on demand at interest of 2.67% (2016: 2.67%) per annum	–	3,500
Repayable on demand, interest-free	171,874	186,431
	254,483	301,240

15. Trade debtors

	Group 2017 S$'000	Group 2016 S$'000
Amounts due from customers	19,569	16,029
Amounts due from brokers	–	648
Unbilled disbursements	107	45
	19,676	16,722
Allowance for doubtful debts	(1,817)	(1,253)
	17,859	15,469
Movement in allowance for doubtful debts		
At 1 January	(1,253)	(538)
Provision made during the year	(856)	(898)
Provision written off	255	201
Currency realignment	37	(18)
At 31 December	(1,817)	(1,253)

The nominal value of trade receivables that were impaired as at 31 December 2017 was S$2,248,000 (2016: S$1,546,000).

(a) *Amounts due from customers*

All invoices are due upon presentation.

(b) *Amounts due from brokers*

The amounts are not interest bearing and are settled within 3 days.

(c) *Trade debtors that are past due but not impaired*

The Group had trade debtors amounting to S$14,281,000 (2016: S$11,730,000) that were past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging is as follows:

	Group 2017 S$'000	Group 2016 S$'000
Past due 1 day to 3 months	10,889	9,169
Past due 3 to 6 months	1,442	1,454
Past due over 6 months	1,950	1,107
	14,281	11,730

16. Other debtors

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Prepayments	984	3,824	11	7
Sundry deposits	1,682	3,107	376	376
Loan to investee company	–	5,251	–	–
Interest receivable	10	15	–	–
Others	4,091	3,508	49	20
	6,767	15,705	436	403

17. Short-term investments

	Group	
	2017 S$'000	2016 S$'000
Fair value through profit or loss		
Held-for-trading:		
Quoted equity securities	44,066	35,097

18. Cash and bank balances

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Fixed deposits	3,413	3,160	–	–
Other cash and bank balances	26,000	32,872	572	1,263
	29,413	36,032	572	1,263

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprised the following at the end of the year:

	Group	
	2017 S$'000	2016 S$'000
Continuing operations	29,413	36,032
Discontinued operations	–	77,422
	29,413	113,454

18. Cash and bank balances (cont'd)

Client's monies held by Boardroom Limited under trust represent the following:

	Group	
	2017 S$'000	2016 S$'000
Held under trust		
Clients' bank accounts - contra	28,446	24,078
Clients' ledger balances - contra	(28,446)	(24,078)
	–	–

Cash at bank earns interest at floating rates based on daily bank deposit rates. Fixed deposits are placed for varying periods from 1 day to 3 months (2016: 1 day to 3 months). The effective interest rates for the financial year 2017 were 0.70% to 1.77% (2016: 0.27% to 0.94%).

19. Trade creditors

	Group	
	2017 S$'000	2016 S$'000
Customers' advances and deposits	4,033	5,344
Excess of progress billings over work-in-progress	2,301	1,858
Amounts due to suppliers	1,126	1,664
GST payable	415	248
Disbursements billed in advance	76	52
	7,951	9,166

20. Other creditors

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Accruals	23,402	11,804	372	410
Amounts due to suppliers (non-trade)	1,642	1,516	1	120
Unclaimed dividends	1,084	1,074	–	–
Interest payable	60	148	3	104
Security deposits from tenants	252	219	142	50
Others	1,192	230	4	–
	27,632	14,991	522	684

Unclaimed dividends relate to dividends received for shares registered in the name of a subsidiary as nominees of its customers and not claimed by the customers as at the end of the reporting period.

21. Bank borrowings

	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Current				
Revolving credit facility	44,079	76,502	6,249	52,478
Money market line facility	4,908	7,928	–	–
Term loan:				
Australian dollar loan 1	32,300	4,178	–	–
Singapore dollar loan 1	1,500	1,500	–	–
	82,787	90,108	6,249	52,478
Non-current				
Term loan:				
Australian dollar loan 1	–	45,963	–	–
Australian dollar loan 2	–	10,446	–	–
Singapore dollar loan 1	7,000	8,500	–	–
Singapore dollar loan 2	40,000	40,000	–	–
Singapore dollar loan 3	19,036	–	–	–
Singapore dollar loan 4	17,000	–	–	–
	83,036	104,909	–	–
	165,823	195,017	6,249	52,478

A reconciliation of liabilities arising from financing activities is as follows:

	2016 S$'000	Cash flows S$'000	Non-cash changes: Disposal of subsidiary S$'000	Non-cash changes: Other [1] S$'000	2017 S$'000
Bank borrowings					
Current	90,108	(53,284)	–	45,963	82,787
Non-current	104,909	34,789	(10,699)	(45,963)	83,036
	195,017	(18,495)	(10,699)	–	165,823

(1) This represents the reclassification of non-current portion of bank borrowings due to the passage of time.

21. Bank borrowings (cont'd)

(a) *Revolving credit facility*

The revolving credit loans are unsecured, repayable within 1 month, and bear interest rates from 0.86% to 2.22% (2016: 0.86% to 2.30%).

The loans are denominated in the following currencies:

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Singapore dollar	19,700	60,579	2,700	41,079
Japanese yen	24,379	8,220	3,549	3,696
United States dollar	–	7,703	–	7,703
	44,079	76,502	6,249	52,478

(b) *Australian dollar term loan 1*

The loan is subject to periodic re-pricing, bears interest rates from 4.32% to 4.50% (2016: 4.34% to 5.00%) and is repayable in instalments from 30 September 2014 to 12 November 2018. The loan is secured by a charge over the operating cash account of Allium Investments Pte Ltd, shares of Allium Investments Pte Ltd and Allium Holdings Pty Ltd, as well as shares and units of the entities in the Opal Aged Care Group that are owned by Allium Holdings Pty Ltd. The Company has also provided a corporate guarantee on the loan.

(c) *Singapore dollar term loan 1*

The loan is unsecured and bears interest rates from 2.27% to 2.87% (2016: 2.22% to 2.85%). It is repayable in 9 semi-annual instalments of S$750,000 each and a final instalment of S$6,250,000.

(d) *Money market line facility and Singapore dollar term loan 2*

The money market line facility bears interest rates from 2.30% to 2.60% (2016: 2.32%) and is repayable within 3 months. The term loan bears interest rates from 2.30% to 2.60% (2016: 1.70% to 2.61%) and is repayable on 31 December 2019. Both loans are secured by a charge over a bank account of Salacca Pte Ltd and the shares of Boardroom Limited that are owned by Salacca Pte Ltd. The Company has provided a corporate guarantee on the loan.

(e) *Singapore dollar term loan 3*

The loan is subject to periodic re-pricing, bears interest rate of 2.88% and is repayable quarterly from March 2020 to December 2031. It is secured by a first mortgage over the land and building owned by Allium Healthcare (Singapore) Pte Ltd. The Company has provided a corporate guarantee on the loan.

21. Bank borrowings (cont'd)

(f) *Singapore dollar term loan 4*

The loan is subject to periodic re-pricing, bears interest rates from 2.45% to 2.58% (2016: Nil) and is repayable on 31 December 2020. It is secured by a charge over the shares of Habitat Assets Pte Ltd that are owned by Allium Healthcare Holdings Pte Ltd. The Company has provided a corporate guarantee on the loan.

Capitalisation of borrowing costs

The Group's assets under construction include borrowing costs arising from bank loans specifically for the purpose of purchase of leasehold land and construction of the building. During the financial year, the borrowing costs capitalised as assets under construction amounted to S$402,000 (2016: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 2.66%, which was the effective interest rate of the specific borrowings.

22. Share capital

	Group and Company			
	2017		2016	
	Shares	S$'000	Shares	S$'000
Issued and fully paid ordinary share capital				
At beginning of year	326,686,537	191,987	326,686,537	191,987
Cancellation	(202,200)	–	–	–
At end of year	326,484,337	191,987	326,686,537	191,987

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

23. Commitments

(a) *Operating leases – as lessee*

The Group has entered into commercial leases on its office premises and equipment that expire at various dates until the year 2023. Future minimum rental payables under non-cancellable leases at the end of the financial years are as follows:

	Group	
	2017 S$'000	2016 S$'000
Not later than one year	7,559	6,987
Later than one year but not later than five years	8,668	12,210
Later than five years	43	1,160
	16,270	20,357

(b) *Operating leases – as lessor*

Future minimum rental receivables under non-cancellable operating leases at the end of the financial years are as follows:

	Group	
	2017 S$'000	2016 S$'000
Not later than one year	790	585
Later than one year but not later than five years	139	733
Later than five years	–	27
	929	1,345

23. Commitments (cont'd)

(c) *Other commitments*

Other commitments not provided for in the financial statements comprise obligations to make additional investments in the following:

	Group 2017 S$'000	Group 2016 S$'000
Associates	11,230	12,151
Long-term investments	29,221	42,142
Land and building	18,164	24,884
	58,615	79,177

Land and building commitments in 2016 included an amount of S$23,042,000 relating to the Group's tender for a land parcel in Singapore for the construction of a nursing home. Land and building commitments in 2017 comprised the construction costs of the nursing home.

24. Contingent liabilities

In addition to general undertakings on banking facilities granted to subsidiaries, the Company had provided the following guarantees at the end of the reporting period:

- corporate guarantee to 2 banks for a A$70 million term loan facility granted to Allium Investments Pte Ltd;
- corporate guarantee to a bank for a S$50 million term loan facility granted to Salacca Pte Ltd;
- corporate guarantee to a bank for a S$33 million term loan facility granted to Allium Healthcare (Singapore) Pte Ltd; and
- corporate guarantee to a bank for a S$17 million term loan facility granted to Allium Healthcare Holdings Pte Ltd.

25. Employees' compensation and related costs

Details of employees' compensation and related costs for the respective financial years ended 31 December are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Employees' benefits expense (including directors)		
Salaries and bonuses	(57,450)	(45,315)
Defined contributions	(3,929)	(3,682)
Other short-term benefits	(1,839)	(1,915)
	(63,218)	(50,912)

26. Related party disclosures

(a) *Sale and purchase of services*

The following transactions between the Group and related parties took place on normal commercial terms agreed between the parties during the financial year:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Subsidiaries				
Interest income	–	–	7,511	7,484
Professional fees	–	–	67	66
Fellow subsidiaries				
Rental income	46	46	46	42
Service income	60	60	–	–
Company related to a director				
Professional fees	28	76	5	75

26. Related party disclosures (cont'd)

(b) *Compensation of key management personnel*

	Group 2017 S$'000	Group 2016 S$'000
Short-term employee benefits	15,190	6,431
Defined contributions	45	54
Total compensation	15,235	6,485
Comprise amounts paid to:		
Directors of the Company	11,828	4,673
Other directors of its wholly-owned subsidiaries	3,407	1,812
	15,235	6,485

Key management personnel of the Group comprise directors of the Company and its wholly-owned subsidiaries. The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

27. Segmental results

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments: (1) investment holding; (2) corporate services; and (3) financial services. The financial services segment is deemed to be discontinued following the announcement in 2016 of the disposal of G. K. Goh Financial Services (S) Pte Ltd.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment assets and liabilities relate to intercompany loans and balances.

27. Segmental results (cont'd)

2017	Investment holding S$'000	Corporate services S$'000	Financial services (discontinued operation) S$'000	Adjustments and Elimination S$'000	Total S$'000
Revenue					
External revenue	26,177	72,284	313	(313)	98,461
Inter-segment revenue	8	120	3	(131)	–
Total revenue	26,185	72,404	316	(444)	98,461
Results					
Interest income	102	246	11	(19)	340
Finance costs	3,769	1,384	10	(10)	5,153
Depreciation and amortisation	635	4,641	7	(7)	5,276
Fair value adjustments	875	–	–	–	875
Share of profit of associates	18,792	–	–	–	18,792
Segment profit / (loss)	17,344	9,357	(226)	407	26,882
Assets					
Investment in associates	208,482	–	–	–	208,482
Additions to non-current assets	28,582	3,555	–	–	32,137
Segment assets	552,033	141,200	–	(24)	693,209
Unallocated assets					7,582
Total assets					700,791
Liabilities					
Segment liabilities	130,344	71,340	–	(24)	201,660
Unallocated liabilities					16,287
Total liabilities					217,947

27. Segmental results (cont'd)

2016	Investment holding S$'000	Corporate services S$'000	Financial services (discontinued operation) S$'000	Adjustments and Elimination S$'000	Total S$'000
Revenue					
External revenue	24,582	68,717	5,312	(5,312)	93,299
Inter-segment revenue	94	108	36	(238)	–
Total revenue	24,676	68,825	5,348	(5,550)	93,299
Results					
Interest income	536	249	130	(224)	691
Finance costs	4,388	1,605	119	(119)	5,993
Depreciation and amortisation	1,898	4,478	87	(87)	6,376
Fair value adjustments	6,812	–	–	–	6,812
Share of profit of associates	34,426	–	–	–	34,426
Segment profit / (loss)	36,238	5,833	(2,211)	2,145	42,005
Assets					
Investment in associates	184,073	–	–	–	184,073
Additions to non-current assets	287	2,988	134	–	3,409
Segment assets	514,408	136,166	89,445	(3,652)	736,367
Unallocated assets					5,770
Total assets					742,137
Liabilities					
Segment liabilities	149,706	73,880	77,358	(3,652)	297,292
Unallocated liabilities					26,157
Total liabilities					323,449

27. Segmental results (cont'd)

Geographical information

	Revenue from external customers		Non-current assets	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Singapore	52,765	45,349	66,970	38,883
Australia	28,438	30,901	51,546	78,938
Malaysia	7,095	7,038	9,557	9,583
Hong Kong	8,524	8,263	3,962	4,413
China	1,639	1,748	45	41
Total	98,461	93,299	132,080	131,858

Non-current assets consist of property, plant and equipment, intangible assets and investment properties.

28. Fair value of assets and liabilities

(a) *Financial instruments*

The table below is an analysis of the carrying amounts of financial instruments by categories as defined in FRS 39 as at 31 December:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Financial assets:				
Available-for-sale				
Quoted equity securities	39,277	61,473	–	–
Unquoted unit trust funds, at fair value	74,205	69,588	–	–
Unquoted equity securities, at fair value	127,047	59,531	5,542	5,802
Unquoted equity securities, at cost	13,682	21,741	–	–
	254,211	212,333	5,542	5,802
Loans and receivables				
Other long-term assets	–	15,983	–	–
Amounts receivable from subsidiaries	–	–	254,483	301,240
Trade debtors	17,859	15,469	–	–
Other debtors	4,101	8,774	49	20
Cash and bank balances	29,413	36,032	572	1,263
	51,373	76,258	255,104	302,523

28. Fair value of assets and liabilities (cont'd)

(a) *Financial instruments (cont'd)*

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Fair value through profit or loss				
Designated upon initial recognition:				
Quoted warrants	331	372	–	–
Held-for-trading:				
Quoted equity securities	44,066	35,097	–	–
	44,397	35,469	–	–
Financial liabilities:				
At amortised cost				
Amounts due to associates	–	4,048	–	–
Trade creditors	7,951	9,166	–	–
Other creditors	27,632	14,991	522	684
Bank borrowings	165,823	195,017	6,249	52,478
	201,406	223,222	6,771	53,162

(b) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

28. Fair value of assets and liabilities (cont'd)

(c) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group 2017	Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
Assets measured at fair value				
Available-for-sale:				
Quoted equity securities	39,277	–	–	39,277
Unquoted unit trust funds	–	14,359	59,846	74,205
Unquoted equity securities	–	–	127,047	127,047
Fair value through profit or loss:				
Quoted warrants	331	–	–	331
Quoted equity securities	44,066	–	–	44,066
	83,674	14,359	186,893	284,926

28. Fair value of assets and liabilities (cont'd)

(c) *Assets and liabilities measured at fair value (cont'd)*

Group 2016	Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
Assets measured at fair value				
Available-for-sale:				
Quoted equity securities	61,473	–	–	61,473
Unquoted unit trust funds	–	14,165	55,423	69,588
Unquoted equity securities	–	–	59,531	59,531
Fair value through profit or loss:				
Quoted warrants	372	–	–	372
Quoted equity securities	35,097	–	–	35,097
	96,942	14,165	114,954	226,061

The Group also has investment properties amounting to S$3,727,000 (2016: S$3,727,000) whose fair value is measured using significant unobservable inputs (Level 3). The valuation is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market. There has been no change in the valuation technique.

(d) *Level 2 fair value measurements*

Investments in unquoted unit trust funds are valued at the price or net asset value released by the investment manager or fund administrator as at the end of the reporting period. These funds are categorised as Level 2 as their underlying investments are mainly quoted securities.

28. Fair value of assets and liabilities (cont'd)

(e) *Level 3 fair value measurements*

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (Level 3):

	Group	
	2017 S$'000	2016 S$'000
At 1 January	114,954	112,893
Total gains or losses:		
In profit or loss	(1,833)	7,957
In other comprehensive income	69,598	(7,182)
Purchases	9,548	39,898
Disposals	(5,374)	(38,612)
At 31 December	186,893	114,954

Investments in unquoted unit trust funds are valued at the price or net asset value released by the investment manager or fund administrator as at the end of the reporting period. As the funds are discretionary and broad-based and the Group has no control over the investments held by each fund, the sensitivity of their fair value to the changes in the unobservable inputs cannot be determined. The fair value of unquoted equity securities is determined using valuation techniques, which may include using recent arm's length market transactions between knowledgeable, willing parties and the current fair value of comparable companies.

(f) *Assets and liabilities whose carrying amounts approximate fair value*

Management has determined that the carrying amounts of cash and bank balances, trade and other debtors, trade and other creditors, and bank borrowings, based on their notional amounts, reasonably approximate their fair values because these are either short-term in nature or loans that are re-priced to market interest rates.

(g) *Investment in equity securities carried at cost*

Fair value information has not been disclosed for the Group's investments in equity securities that are carried at cost because fair value cannot be measured reliably. These equity securities represent ordinary shares in companies that are not quoted on any market and do not have any comparable industry peer that is listed. The Group does not intend to dispose of these investments in the foreseeable future.

29. Hedge of net investments in foreign operations

During the financial year, the Group used bank borrowings as a hedge of net investment in Allium Holdings Pty Ltd. The bank borrowings were used to hedge the Group's exposure to foreign exchange risk on the investment. Gains or losses on the retranslation of bank borrowings were transferred to other comprehensive income to offset any gains or losses on translation of net investment in the subsidiary.

There was no ineffectiveness in the years ended 31 December 2017 and 2016.

30. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key risks include price risk, interest rate risk, foreign currency risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) *Price risk*

The Group is exposed to price risk on the quoted equity securities and warrants, as well as the unquoted unit trust funds it holds. The prices of quoted equity securities and warrants are monitored daily by the management. The performance of the unquoted unit trust funds is monitored monthly or quarterly by reviewing the financial statements and performance reports from fund managers.

The Group's exposure to quoted equity securities and warrants in the various stock markets is as follows:

	Group			
Stock market	Fair value through profit or loss investments		Available-for-sale investments	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Singapore	5,454	6,394	–	20,257
Kuala Lumpur	719	919	35,671	37,838
Tokyo	30,470	11,865	–	–
Australia	2,068	8,191	754	784
Hong Kong	3,330	2,772	–	–
New York	982	2,642	–	–
London	885	573	2,852	2,594
Jakarta	230	1,708	–	–
Others	259	405	–	–
Total	44,397	35,469	39,277	61,473

30. Financial risk management objectives and policies (cont'd)

(a) *Price risk (cont'd)*

Sensitivity analysis for price risk

The table below summarises the impact of increases/decreases of the relevant stock market indices on the Group's profit for the financial year and on equity. The analysis is based on the assumption that the stock market has increased/decreased by 5% (2016: 5%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Group			
	Impact on profit for the year		Impact on equity	
Indices	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Straits Times Index	123	124	–	360
Kuala Lumpur Composite Index	38	61	1,100	1,409
Tokyo Stock Price Index	1,590	600	–	–
S&P/ASX 200 Index	59	286	9	7
Hang Seng Index	148	111	–	–
S&P 500 Index	52	169	–	–
FTSE Index	6	1	10	(7)
Jakarta Composite Index	5	105	–	–

Profit for the financial year would increase/decrease as a result of higher/lower gains on quoted equity securities and warrants classified as financial assets at fair value through profit or loss. Equity would increase/decrease as a result of higher/lower gains on quoted equity securities classified as available-for-sale financial assets.

The unquoted unit trust funds are discretionary and broad-based and the Group has no control over the investments held by each fund. Therefore, the performance of the funds cannot be benchmarked against the stock market index.

(b) *Interest rate risk*

The Group's exposure to interest rate risk relates primarily to its cash deposits with financial institutions, and bank borrowings which bear interest rates pegged to the lender's cost of funds or prevailing market interest rates. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. Interest rate risk is managed by placing deposits on varying maturities and interest rate terms.

30. Financial risk management objectives and policies (cont'd)

(b) *Interest rate risk (cont'd)*

Sensitivity analysis for interest rate risk

As at 31 December 2017, if market interest rates at that date had been 25 basis points (2016: 25 basis points) higher/lower with all other variables held constant, profit for the financial year would have been S$406,000 (2016: S$480,000) lower/higher.

(c) *Foreign currency risk*

The Group holds assets and liabilities denominated in currencies other than Singapore dollars, the measurement currency of the Group. Consequently, the Group is exposed to foreign currency risk since the value of these assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. Bank borrowings and forward currency contracts are used to reduce currency exposures. The Group conducts reviews periodically to ensure that the net exposure is kept at an acceptable level.

The Group has net foreign currency exposures mainly in 3 currencies: United States dollar ("USD"), Malaysian ringgit ("MYR") and Australian dollar ("AUD"). The Group's short-term investments denominated in Japanese yen are funded by bank borrowings in the same currency to mitigate the foreign currency risk.

Group	USD S$'000	MYR S$'000	AUD S$'000
2017			
Long-term investments	83,083	35,671	754
Short-term investments	1,201	719	2,068
Cash and bank balances	2,997	3,585	6,691
Trade and other debtors	513	1,464	6,225
Trade and other creditors	(203)	(2,198)	(2,571)
	87,591	39,241	13,167
2016			
Long-term investments	82,137	37,838	784
Short-term investments	2,642	919	8,191
Cash and bank balances	1,493	2,766	13,134
Trade and other debtors	2,802	1,464	12,565
Amounts due to associates	–	–	(4,048)
Trade and other creditors	(207)	(2,127)	(6,099)
Bank borrowings	(7,703)	–	(10,446)
	81,164	40,860	14,081

30. Financial risk management objectives and policies (cont'd)

(c) *Foreign currency risk (cont'd)*

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. During the financial year, the Group's investment in its Australian subsidiary Allium Holdings Pty Ltd was partially hedged by bank borrowings, which mitigated structural currency exposure arising from the subsidiaries' net assets.

Sensitivity analysis for foreign currency risk

At 31 December 2017, if the SGD had weakened/strengthened 5% against the USD with all other variables held constant, profit for the financial year would have been S$225,000 higher/lower (2016: S$49,000 lower/higher), and equity would have been S$4,154,000 (2016: S$4,107,000) higher/lower.

If the SGD had weakened/strengthened 5% against the MYR with all other variables held constant, profit for the financial year would have been S$179,000 (2016: S$151,000) higher/lower, and equity would have been S$1,784,000 (2016: S$1,892,000) higher/lower.

If the SGD had weakened/strengthened 5% against the AUD with all other variables held constant, profit for the financial year would have been S$621,000 (2016: S$665,000) higher/lower, and equity would have been S$38,000 (2016: S$39,000) higher/lower.

(d) *Liquidity risk*

The Group manages liquidity risk arising from financial liabilities by maintaining an adequate level of cash and bank balances, and committed stand-by credit facilities with at least three different banks. The Group monitors its liquidity risk using a recurring liquidity planning tool. This tool considers the maturity of its financial assets and liabilities, including the extent of credit float opportunities, and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

30. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities, including commitments, as at 31 December based on contractual undiscounted payments:

Group	One year or less S$'000	One to five years S$'000	Over five years S$'000	Total S$'000
2017				
Trade creditors	7,951	–	–	7,951
Other creditors	27,632	–	–	27,632
Bank borrowings	86,453	72,171	17,433	176,057
Operating lease commitments	7,559	8,668	43	16,270
Other commitments	58,615	–	–	58,615
2016				
Amounts due to associates	2	4,046	–	4,048
Trade creditors	9,166	–	–	9,166
Other creditors	14,991	–	–	14,991
Bank borrowings	94,088	104,408	6,754	205,250
Operating lease commitments	6,987	12,210	1,160	20,357
Other commitments	79,177	–	–	79,177

30. Financial risk management objectives and policies (cont'd)

(e) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the balance sheets. The financial assets are not secured by any collateral or credit enhancements.

Management has a credit policy in place and the exposure to credit risk is managed through credit approvals, credit limits and monitoring procedures on an ongoing basis. Where appropriate, the Company or its subsidiaries will obtain collateral from its clients.

The Group has no significant concentration of credit risks. Cash is placed with a number of creditworthy financial institutions. The Group does not have revenue concentration from major customers.

(i) *Financial assets that are neither past due nor impaired*

Trade and other debtors that are neither past due nor impaired are with creditworthy debtors with good payment records with the Group. Cash and bank balances and investment securities are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(ii) *Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 (Long-term investments) and Note 15 (Trade debtors).

31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate gearing ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 2016.

The Group monitors capital using a gearing ratio, which is net borrowings divided by total capital plus net borrowings. The Group's policy is to manage the balance sheet prudently with a mixture of capital and debt.

31. Capital management (cont'd)

Net borrowings include bank borrowings, less cash and bank balances. Total capital includes equity attributable to Owners of the Company, less capital reserve.

	Group 2017 S$'000	Group 2016 S$'000
Bank borrowings	165,823	195,017
Less: Cash and bank balances	(29,413)	(36,032)
Net borrowings	136,410	158,985
Equity attributable to Owners of the Company	470,684	388,499
Less: Capital reserve	(137)	(137)
Total capital	470,547	388,362
Capital and net borrowings	606,957	547,347
Gearing ratio	22%	29%

32. Authorisation of consolidated financial statements

The consolidated financial statements of the Group for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 14 March 2018.

Statistics of Shareholdings

As at 28 February 2018

Class of equity securities	:	Ordinary share
Number of equity securities	:	326,365,637
Number of treasury shares	:	Nil
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	45	0.59	1,870	0.00
100 – 1,000	1,197	15.75	1,050,409	0.32
1,001 – 10,000	5,228	68.80	20,781,801	6.37
10,001 – 1,000,000	1,117	14.70	42,099,410	12.90
1,000,001 and above	12	0.16	262,432,147	80.41
Total	7,599	100.00	326,365,637	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	GKG Investment Holdings Pte Ltd	196,361,422	60.17
2	Tay Kwang Thiam	18,500,000	5.67
3	DBS Nominees (Private) Limited	11,520,998	3.53
4	United Overseas Bank Nominees (Private) Limited	8,836,150	2.71
5	Citibank Nominees Singapore Pte Ltd	6,367,027	1.95
6	Raffles Nominees (Pte) Limited	5,797,139	1.78
7	OCBC Nominees Singapore Private Limited	3,673,550	1.13
8	Morph Investments Ltd	3,350,431	1.03
9	Estate of Mrs Lim Kam Foong @ Tai Kam Foong @ Tai Kim Fong, Deceased	3,200,000	0.98
10	Lim Keng Jin	2,552,400	0.78
11	Richard Philip Armstrong	1,234,755	0.38
12	Phillip Securities Pte Ltd	1,038,275	0.32
13	See Beng Lian Janice	971,264	0.30
14	UOB Kay Hian Private Limited	944,739	0.29
15	Lim & Tan Securities Pte Ltd	733,400	0.22
16	Ong Kim Guan or Neo Ah Thin	618,123	0.19
17	Ang Jui Khoon	533,269	0.16
18	Saw Paik Peng	530,000	0.16
19	HSBC (Singapore) Nominees Pte Ltd	478,571	0.15
20	Tan Eng Seng	468,300	0.14
Total		267,709,813	82.04

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

Names of substantial shareholders	No. of shares in which shareholders have a direct interest	% [3]	No. of shares in which shareholders are deemed to have an interest	% [3]
GKG Investment Holdings Pte Ltd	196,361,422	60.17	–	–
Goh Geok Khim [1]	–	–	196,361,422	60.17
Goh Yew Lin [2]	–	–	196,397,422	60.18
Tay Kwang Thiam	18,500,000	5.67	–	–

Notes:

(1) The deemed interest of Mr Goh Geok Khim arises from his controlling interest in GKG Investment Holdings Pte Ltd.

(2) Mr Goh Yew Lin is deemed interest in the shares held by GKG Investment Holdings Pte Ltd and his family members.

(3) "%" is based on 326,365,637 issued shares as at 28 February 2018.

PUBLIC FLOAT

As at 28 February 2018, 34.1% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

SUBSIDIARY HOLDINGS

As at 28 February 2018, the Company does not have any subsidiary holdings (as defined in the Listing Manual of the SGX-ST).

G. K. GOH HOLDINGS LIMITED

(Company Registration No. 199000184D)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Twenty-ninth Annual General Meeting of G. K. Goh Holdings Limited (the "**Company**") will be held at Cinnamon Room, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on Monday, 23 April 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2017 together with the Auditor's Report. **(Resolution 1)**

2. To declare a first and final dividend of 3.0 Singapore cents per share (one-tier tax exempt), and a special dividend of 3.0 Singapore cents per share (one-tier tax exempt), for the year ended 31 December 2017 (2016: First and final dividend of 3.0 Singapore cents per share (one-tier tax exempt)). **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Articles 86 and 93 of the Constitution of the Company:

   (a) Mr Lee Soo Hoon (Retiring under Article 86) **(Resolution 3(a))**
   (b) Mr David Lim Teck Leong (Retiring under Article 86) **(Resolution 3(b))**
   (c) Ms Teo Marie Elaine (Retiring under Article 93) **(Resolution 3(c))**

   [See Explanatory Note (i)]

   Mr Lee Soo Hoon will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees and will be considered independent.

   Mr David Lim Teck Leong will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees and will be considered independent.

   Ms Teo Marie Elaine will, upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered independent.

4. To approve the payment of Directors' fees of S$230,223 for the year ended 31 December 2017 (2016: S$225,347). **(Resolution 4)**

5. To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors of the Company to fix its remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modifications as Ordinary Resolutions:

6. **Authority to issue shares (General Mandate)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 6)**

7. **Authority to issue shares (Scrip Dividend Scheme)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the G. K. Goh Holdings Limited Scrip Dividend Scheme.

[See Explanatory Note (iii)] **(Resolution 7)**

8. **Renewal of the Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means that number of Shares representing 10% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST));

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase of a Share, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase of a Share, 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) market day period; and

"**day of the making of the offer**" means the day on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (iv)] **(Resolution 8)**

By Order of the Board

Ngiam May Ling
Thomas Teo Liang Huat
Secretaries

Singapore
23 March 2018

Explanatory Notes:

(i) Resolutions 3(a) and 3(b) are for the re-election of Mr Lee Soo Hoon and Mr David Lim Teck Leong, Directors of the Company who retire by rotation at the Annual General Meeting. Resolution 3(c) is for the re-election of Ms Teo Marie Elaine, who joined the Board of Directors of the Company on 1 September 2017, after the last Annual General Meeting. For more information on the Directors, please refer to the "Board of Directors" section in the Annual Report 2017.

(ii) Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a pro rata basis to shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares. As at 28 February 2018, the Company did not have treasury shares or subsidiary holdings.

(iii) Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, to allot and issue ordinary shares of the Company pursuant to the G. K. Goh Holdings Limited Scrip Dividend Scheme to eligible members of the Company who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

(iv) Resolution 8, if passed, will empower the Directors of the Company, effective until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or the date on which such authority is carried out to the full extent mandated or is varied or revoked by the Company in a general meeting, whichever is the earliest, to exercise the power of the Company to purchase or acquire its shares. The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position cannot be ascertained as at the date of this Notice of the Annual General Meeting, as these will depend on the number of shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price at which such shares were purchased or acquired and whether the shares purchased or acquired are held in treasury or cancelled. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 10% of its ordinary shares (excluding treasury shares and subsidiary holdings) as at 28 February 2018 at a purchase price equivalent to the Maximum Price per share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2017, and certain other assumptions, are set out in Paragraph 2.8 of the Company's Letter to Shareholders dated 23 March 2018.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy must be deposited at the registered office of the Company at 50 Raffles Place #33-00, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

G. K. GOH HOLDINGS LIMITED
(Co. Reg. No. 199000184D)

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