



# G. K. GOH HOLDINGS LIMITED

Financial Statements

And Related Announcement

For Second Quarter Ended 30 June 2016

(Co. Reg. No. 199000184D)

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## REVIEW OF PERFORMANCE OF THE GROUP

### Results for the 2<sup>nd</sup> Quarter

For the second quarter, Group revenues rose slightly to S\$21.3 million (2Q15: S\$20.8 million), while net profits amounted to S\$1.3 million (2Q15: loss of S\$0.35 million). Earnings per share amounted to 0.49 cents.

Boardroom Limited's ("Boardroom") net profits grew by 4% year-on-year to S\$1.8 million, with its business activity dampened by weakening economic conditions as well as the relative weakness of the Australian dollar.

G. K. Goh Financial Services (S) Pte Ltd ("GKGFS") saw very difficult trading conditions which had persisted in the wake of Brexit. Its turnover declined by 49% compared with the same period last year, leading to a loss of S\$0.4 million (2Q15: profit of S\$0.4 million).

Opal Aged Care Group ("Opal"), our Australian associate, continues to show steady growth in its core earnings, benefitting from improved operating efficiency as well as capacity growth. 2Q revenues grew by approximately 9% to A\$142.7 million, while core profits grew by 30% to A\$9.8 million (2Q15: A\$6.9 million; for comparison purposes, we have excluded non-recurring items which reduced 2Q15 profits by A\$1 million). Our share of profits amounted to S\$4.7 million (2Q15: S\$2.9 million). Opal now has a capacity of over 6,100 bed places in Australia, with a strong development pipeline that will add 900 beds over the next two years. The impact to the Group's bottom line was reduced by the 2.8% decline in the Australian dollar relative to the Singapore dollar. During the quarter, we received A\$7.7 million in dividends from Opal in relation to 2015 earnings.

Investment income was S\$0.8 million (2Q15: loss of S\$0.3 million), a relatively benign result given the extreme volatility of forex and equity markets in the wake of Brexit.

Group total comprehensive income for 2Q was a loss of S\$6.7 million (2Q15: loss of S\$11.5 million). The 2.8% decline in the A\$/S\$ exchange rate between March and June led to a markdown in our balance sheet of S\$6.4 million; this includes the impact on Boardroom's Australian assets. Our currency hedges mitigated this partially with a gain of S\$1.6 million.

The comprehensive income figure was also affected by S\$2.1 million of mark-to-market writedowns for our long-term investments, including our stake in Eastern & Oriental Berhad.

### Results for the Six Months

For the half year to June, Group revenues declined by 11% to S\$39.9 million, primarily because of lower investment profits and a decline in client activity at GKGFS. Group net profits grew by 21% to S\$2.9 million.

Opal was the key contributor to earnings, delivering S\$8.8 million to the associate line. Boardroom's contribution declined by 29% year-on-year to S\$2.4 million, reflecting both currency impact and the challenging business environment.

GKGFS saw reduced client trading volumes in the first half, resulting in a loss of S\$0.7 million (1H15: loss of S\$0.3 million).

Investment income returned S\$1.8 million (1H15: S\$4.4 million) amidst a very volatile market environment. We reduced our risk exposure in 2015 and have remained conservative.

Total comprehensive income for the first half was S\$0.3 million (1H15: loss of S\$10.0 million). The forex impact (negative S\$6.8 million) was largely offset by hedges (S\$2.0 million) and net gain from fair value changes of available-for-sale assets (S\$4.0 million).

Short-term borrowings increased from S\$34.6m at the end of December to S\$71.4 million in June. Of this, S\$13 million resulted from the payment of our annual dividend, while S\$16 million was invested in various short and long-term investments.

## **VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS**

None

## **COMMENTARY ON PROSPECTS**

We expect steady earnings contributions from our operating businesses except for GKGFS where trading conditions continue to be poor. Investment returns are inherently difficult to predict, particularly in the current environment of heightened macroeconomic and geopolitical risks.

# Financial Statements

## STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group			Group		
		3 months ended		+ / (-) %	6 months ended		+ / (-) %
		30 Jun 2016	30 Jun 2015		30 Jun 2016	30 Jun 2015	
		\$'000	\$'000		\$'000	\$'000	
<b>Revenue</b>							
Corporate services revenue		17,486	17,282	1	32,305	33,378	(3)
Financial services revenue		1,486	2,934	(49)	3,014	5,261	(43)
Investment income / (loss)		845	(318)	NM	1,755	4,409	(60)
Other income		1,491	883	69	2,825	1,791	58
Total revenue		<u>21,308</u>	<u>20,781</u>	3	<u>39,899</u>	<u>44,839</u>	(11)
<b>Cost and expenses</b>							
Commission and broking expenses		(424)	(721)	(41)	(730)	(1,792)	(59)
Employees' compensation and related costs		(13,818)	(13,579)	2	(26,487)	(27,042)	(2)
Office and equipment rental costs		(1,802)	(1,496)	20	(3,456)	(2,968)	16
Depreciation and amortisation		(1,575)	(1,776)	(11)	(3,196)	(3,432)	(7)
Technology and information services costs		(667)	(793)	(16)	(1,319)	(1,534)	(14)
(Loss) / gain on foreign currency exchange		(880)	(589)	49	(835)	39	NM
Provision for doubtful debts		(416)	(41)	915	(524)	(1,019)	(49)
Other operating expenses		(3,397)	(3,149)	8	(6,621)	(5,979)	11
Total cost and expenses		<u>(22,979)</u>	<u>(22,144)</u>	4	<u>(43,168)</u>	<u>(43,727)</u>	(1)
<b>(Loss) / profit from operating activities</b>		<b>(1,671)</b>	<b>(1,363)</b>	23	<b>(3,269)</b>	<b>1,112</b>	NM
Finance costs		(1,576)	(1,567)	1	(3,031)	(3,185)	(5)
Share of profit of associates		4,948	2,889	71	9,362	5,414	73
<b>Profit / (loss) before taxation</b>	B	<b>1,701</b>	<b>(41)</b>	NM	<b>3,062</b>	<b>3,341</b>	(8)
Taxation	C	(405)	(312)	30	(191)	(969)	(80)
<b>Profit / (loss) for the period</b>		<b>1,296</b>	<b>(353)</b>	NM	<b>2,871</b>	<b>2,372</b>	21
<b>Other comprehensive income</b>							
<b>Items that may be reclassified subsequently to profit or loss</b>							
Net (loss) / gain on fair value changes of available-for-sale financial assets		(2,140)	(9,607)	(78)	4,001	(7,223)	NM
Share of other comprehensive (loss) / income of associates		(898)	1,274	NM	(1,706)	363	NM
Net gain on hedge of net investment		1,622	1,145	42	1,981	4,096	(52)
Foreign currency translation		(6,585)	(3,932)	67	(6,808)	(9,610)	(29)
<b>Other comprehensive loss for the period, net of tax</b>		<b>(8,001)</b>	<b>(11,120)</b>	(28)	<b>(2,532)</b>	<b>(12,374)</b>	(80)
<b>Total comprehensive (loss) / income for the period</b>		<b>(6,705)</b>	<b>(11,473)</b>	(42)	<b>339</b>	<b>(10,002)</b>	NM
<b>Profit / (loss) attributable to:</b>							
Owners of the Company		1,598	(573)	NM	3,403	1,938	76
Non-controlling interests		(302)	220	NM	(532)	434	NM
<b>Total comprehensive income / (loss) attributable to:</b>		<b>1,296</b>	<b>(353)</b>	NM	<b>2,871</b>	<b>2,372</b>	21
<b>attributable to:</b>							
Owners of the Company		(5,987)	(11,287)	(47)	1,416	(9,894)	NM
Non-controlling interests		(718)	(186)	286	(1,077)	(108)	897
		<u>(6,705)</u>	<u>(11,473)</u>	(42)	<u>339</u>	<u>(10,002)</u>	NM

NM : Not meaningful

	E	0.49 cents	(0.18) cents	1.04 cents	0.61 cents
<b>Earnings per share - Basic and diluted</b>					

# Financial Statements

## BALANCE SHEETS

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group		Company	
		30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment		16,954	17,582	-	-
Intangible assets		109,514	112,673	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	58,670	57,192
Associates		158,693	163,362	-	-
Long-term investments		212,028	200,776	5,702	5,702
Other long-term assets		13,856	14,543	-	-
Deferred tax assets		4,013	4,890	-	-
<b>Current assets</b>					
Amounts receivable from subsidiaries		-	-	297,556	290,742
Trade debtors		23,351	31,140	-	-
Other debtors		8,017	7,116	412	25
Short-term investments		23,485	19,300	-	-
Cash and bank balances		119,160	111,375	2,840	1,006
		174,013	168,931	300,808	291,773
<b>Current liabilities</b>					
Amounts due to associates		4,294	4,054	-	-
Trade creditors		83,948	73,704	-	-
Other creditors		9,982	33,235	482	505
Bank borrowings	D	71,419	34,641	48,666	24,562
Provision for taxation		1,009	1,175	130	228
		170,652	146,809	49,278	25,295
<b>Net current assets</b>		3,361	22,122	251,530	266,478
<b>Non-current liabilities</b>					
Bank borrowings	D	113,324	121,316	-	-
Provision for employee benefits		355	362	-	-
Deferred tax liabilities		17,184	19,196	1,156	1,167
<b>Net assets</b>		391,283	398,801	314,746	328,205
<b>Equity attributable to Owners of the Company</b>					
Share capital		191,987	191,987	191,987	191,987
Revenue reserve		166,888	176,552	122,622	136,081
Transactions with non-controlling interests		(7,023)	(6,911)	-	-
Capital reserve		137	207	137	137
Cash flow hedge reserve		(2,514)	(808)	-	-
Fair value adjustment reserve		36,549	32,548	-	-
Foreign currency translation reserve		(23,518)	(19,306)	-	-
		362,506	374,269	314,746	328,205
Non-controlling interests		28,777	24,532	-	-
<b>Total equity</b>		391,283	398,801	314,746	328,205

# Financial Statements

## STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Group 2016	Attributable to Owners of the Company									Total Equity \$'000
	Share Capital \$'000	Revenue Reserve \$'000	Transactions with Non-controlling Interests \$'000	Capital Reserve \$'000	Cash Flow Hedge Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Equity Attributable to Owners of the Company \$'000	Non- controlling Interests \$'000	
	<b>Balance at 1 April 2016</b>	<b>191,987</b>	<b>178,357</b>	<b>(6,956)</b>	<b>209</b>	<b>(1,616)</b>	<b>38,689</b>	<b>(19,043)</b>	<b>381,627</b>	
Profit / (loss) for the period	-	1,598	-	-	-	-	-	1,598	(302)	1,296
<b>Other comprehensive income</b>										
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	(2,140)	-	(2,140)	-	(2,140)
Share of other comprehensive loss of associates	-	-	-	-	(898)	-	-	(898)	-	(898)
Net gain on hedge of net investment	-	-	-	-	-	-	1,622	1,622	-	1,622
Foreign currency translation	-	-	-	(72)	-	-	(6,097)	(6,169)	(416)	(6,585)
<b>Other comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(72)</b>	<b>(898)</b>	<b>(2,140)</b>	<b>(4,475)</b>	<b>(7,585)</b>	<b>(416)</b>	<b>(8,001)</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>1,598</b>	<b>-</b>	<b>(72)</b>	<b>(898)</b>	<b>(2,140)</b>	<b>(4,475)</b>	<b>(5,987)</b>	<b>(718)</b>	<b>(6,705)</b>

# Financial Statements

## STATEMENTS OF CHANGES IN EQUITY (Continued)

Group 2016	Attributable to Owners of the Company									
	Share Capital \$'000	Revenue Reserve \$'000	Transactions with Non-controlling Interests \$'000	Capital Reserve \$'000	Cash Flow Hedge Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Equity Attributable to Owners of the Company \$'000	Non- controlling Interests \$'000	Total Equity \$'000
<b>Contributions by and distributions to Owners</b>										
Dividend on ordinary shares	-	(13,067)	-	-	-	-	-	(13,067)	-	(13,067)
<b>Total contributions by and distributions to Owners</b>	-	<b>(13,067)</b>	-	-	-	-	-	<b>(13,067)</b>	-	<b>(13,067)</b>
<b>Changes in ownership interests in subsidiaries</b>										
Issuance of shares to non-controlling interests	-	-	681	-	-	-	-	681	7,919	8,600
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(518)	(518)
Acquisition of non-controlling interests without a change in control	-	-	(748)	-	-	-	-	(748)	(1,930)	(2,678)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	<b>(67)</b>	-	-	-	-	<b>(67)</b>	<b>5,471</b>	<b>5,404</b>
<b>Total transactions with Owners in their capacity as Owners</b>	-	<b>(13,067)</b>	<b>(67)</b>	-	-	-	-	<b>(13,134)</b>	<b>5,471</b>	<b>(7,663)</b>
<b>Balance at 30 June 2016</b>	<b>191,987</b>	<b>166,888</b>	<b>(7,023)</b>	<b>137</b>	<b>(2,514)</b>	<b>36,549</b>	<b>(23,518)</b>	<b>362,506</b>	<b>28,777</b>	<b>391,283</b>



# Financial Statements

## STATEMENTS OF CHANGES IN EQUITY (Continued)

### Attributable to Owners of the Company

Group 2015	Attributable to Owners of the Company									Total Equity \$'000
	Share Capital \$'000	Revenue Reserve \$'000	Transactions with Non-controlling Interests \$'000	Capital Reserve \$'000	Cash Flow Hedge Reserve \$'000	Fair Value Adjustment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Equity Attributable to Owners of the Company \$'000	Non- controlling Interests \$'000	
<b>Balance at 1 April 2015</b>	<b>183,112</b>	<b>178,848</b>	<b>(6,050)</b>	<b>197</b>	<b>(911)</b>	<b>51,260</b>	<b>(15,094)</b>	<b>391,362</b>	<b>28,213</b>	<b>419,575</b>
Loss for the period	-	(573)	-	-	-	-	-	(573)	220	(353)
<b>Other comprehensive income</b>										
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	(9,607)	-	(9,607)	-	(9,607)
Share of other comprehensive income / (loss) of associates	-	-	-	-	1,566	(292)	-	1,274	-	1,274
Net gain on hedge of net investment	-	-	-	-	-	-	1,145	1,145	-	1,145
Foreign currency translation	-	-	-	10	-	-	(3,536)	(3,526)	(406)	(3,932)
<b>Other comprehensive income / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>1,566</b>	<b>(9,899)</b>	<b>(2,391)</b>	<b>(10,714)</b>	<b>(406)</b>	<b>(11,120)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>(573)</b>	<b>-</b>	<b>10</b>	<b>1,566</b>	<b>(9,899)</b>	<b>(2,391)</b>	<b>(11,287)</b>	<b>(186)</b>	<b>(11,473)</b>

# Financial Statements

## STATEMENTS OF CHANGES IN EQUITY (Continued)

Group	Attributable to Owners of the Company									
	Share Capital	Revenue Reserve	Transactions with Non-controlling Interests	Capital Reserve	Cash Flow Hedge Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contributions by and distributions to Owners</b>										
Dividend on ordinary shares	-	(3,767)	-	-	-	-	-	(3,767)	-	(3,767)
Issuance of shares pursuant to scrip dividend scheme	8,875	(8,875)	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to Owners</b>	<b>8,875</b>	<b>(12,642)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,767)</b>	<b>-</b>	<b>(3,767)</b>
<b>Changes in ownership interests in subsidiaries</b>										
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(351)	(351)
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(351)</b>	<b>(351)</b>
<b>Total transactions with Owners in their capacity as Owners</b>	<b>8,875</b>	<b>(12,642)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,767)</b>	<b>(351)</b>	<b>(4,118)</b>
<b>Balance at 30 June 2015</b>	<b>191,987</b>	<b>165,633</b>	<b>(6,050)</b>	<b>207</b>	<b>655</b>	<b>41,361</b>	<b>(17,485)</b>	<b>376,308</b>	<b>27,676</b>	<b>403,984</b>

# Financial Statements

## STATEMENTS OF CHANGES IN EQUITY (Continued)

Company 2016	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
<b>Balance at 1 April 2016</b>	<b>191,987</b>	<b>134,615</b>	<b>137</b>	<b>326,739</b>
Profit for the period	-	1,074	-	1,074
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,074</b>	<b>-</b>	<b>1,074</b>
<b>Contributions by and distributions to Owners</b>				
Dividend on ordinary shares	-	(13,067)	-	(13,067)
<b>Total transactions with Owners in their capacity as Owners</b>	<b>-</b>	<b>(13,067)</b>	<b>-</b>	<b>(13,067)</b>
<b>Balance at 30 June 2016</b>	<b>191,987</b>	<b>122,622</b>	<b>137</b>	<b>314,746</b>

Company 2015	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
<b>Balance at 1 April 2015</b>	<b>183,112</b>	<b>131,725</b>	<b>137</b>	<b>314,974</b>
Profit for the period	-	2,028	-	2,028
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,028</b>	<b>-</b>	<b>2,028</b>
<b>Contributions by and distributions to Owners</b>				
Dividend on ordinary shares	-	(3,767)	-	(3,767)
Issuance of shares pursuant to scrip dividend scheme	8,875	(8,875)	-	-
<b>Total transactions with Owners in their capacity as Owners</b>	<b>8,875</b>	<b>(12,642)</b>	<b>-</b>	<b>(3,767)</b>
<b>Balance at 30 June 2015</b>	<b>191,987</b>	<b>121,111</b>	<b>137</b>	<b>313,235</b>

# Financial Statements

## CONSOLIDATED CASH FLOW STATEMENT

(Amounts in Singapore dollars)

(These figures have not been audited)

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>30 Jun 2016</b>	<b>30 Jun 2015</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit / (loss) before taxation	1,701	(41)
Adjustments for :-		
Depreciation and amortisation	1,575	1,776
Loss on disposal of property, plant and equipment	3	-
Finance costs	1,576	1,567
Interest income	(293)	(419)
Dividend income	(583)	(330)
Gain on sale of long-term investments	(184)	-
Provision for doubtful debts	416	41
Fair value adjustment	359	3,054
Share of profit of associates	(4,948)	(2,889)
<b>Operating (loss) / profit before reinvestment in working capital</b>	<u>(378)</u>	<u>2,759</u>
(Increase) / decrease in debtors	(5,563)	6,470
Decrease in short-term investments	495	2,504
(Decrease) / increase in creditors	(4,423)	8,923
<b>Cash flows (used in) / from operations</b>	<u>(9,869)</u>	<u>20,656</u>
Interest paid	(1,569)	(1,662)
Interest received	294	422
Income tax paid	(537)	(1,230)
<b>Net cash flows (used in) / from operating activities</b>	<u>(11,681)</u>	<u>18,186</u>

# Financial Statements

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>30 Jun 2016</b>	<b>30 Jun 2015</b>
	\$'000	\$'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(293)	(1,746)
Proceeds from disposal of property, plant and equipment	3	-
Purchase of intangible assets	(351)	(370)
Purchase of long-term investments	(659)	(10,744)
Proceeds from sale of long-term investments	3,485	1,357
Net dividend received from associates	7,742	(100)
Dividend income received	269	244
<b>Net cash flows from / (used in) investing activities</b>	<b>10,196</b>	<b>(11,359)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(13,067)	(3,767)
Acquisition of non-controlling interests	(2,678)	-
Dividend paid to non-controlling interests	(518)	-
Proceeds from issuance of shares to non-controlling interests	8,600	-
Proceeds from / (repayment of) bank borrowings	18,548	(1,520)
<b>Net cash flows from / (used in) financing activities</b>	<b>10,885</b>	<b>(5,287)</b>
Net increase in cash and cash equivalents	9,400	1,540
Effect of exchange rate changes in opening cash and cash equivalents	1,387	541
Cash and cash equivalents at beginning of period	108,373	112,782
<b>Cash and cash equivalents at end of period</b>	<b>119,160</b>	<b>114,863</b>

Cash and bank balances of the Group include fixed deposits of \$2,016,000 (2015: \$1,023,000) and other cash and bank balances of \$51,501,000 (2015: \$49,556,000) of a subsidiary company which are segregated under the Securities and Futures Act and represent funds deposited by and accruing to customers.

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2016

(Amounts in Singapore dollars)

(These figures have not been audited)

### A. SHARE CAPITAL

In the second quarter ended 30 June 2016, no (2015: 10,615,732) shares were issued under the G. K. Goh Holdings Limited Scrip Dividend Scheme. No (2015: Nil) shares were purchased by the Company. The total number of issued shares as at 30 June 2016 was 326,686,537 (2015: 326,686,537). The Company did not hold any treasury shares as at 30 June 2016 and 2015.

### B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group 3 months ended		Group 6 months ended	
	30 Jun 2016 \$'000	30 Jun 2015 \$'000	30 Jun 2016 \$'000	30 Jun 2015 \$'000
Corporate services revenue	17,486	17,282	32,305	33,378
Financial services revenue –				
Commission	239	321	470	475
Forex broking revenue	1,247	2,613	2,544	4,786
Investment income –				
Fair value adjustment for short-term investments	(166)	(3,054)	(476)	(169)
Fair value adjustment for long-term investments	(193)	-	(174)	1,323
Gain / (loss) on sale of short-term investments	144	1,979	(70)	2,263
Gain on sale of long-term investments	184	-	843	654
Dividend income	583	330	1,121	702
Interest income:				
- Bank deposits	101	80	212	164
- Others	192	339	299	671
Loss on disposal of associates	-	-	-	(1,207)
Other investment income	-	8	-	8
Other income –				
Deferred management fee income	1,050	585	1,669	1,013
Rental income	101	79	197	153
Finance costs –				
Interest expense -				
Bank loans and overdrafts	(1,554)	(1,565)	(3,003)	(3,182)
Others	(22)	(2)	(28)	(3)

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### C. TAX

	Group 3 months ended		Group 6 months ended	
	30 Jun 2016 \$'000	30 Jun 2015 \$'000	30 Jun 2016 \$'000	30 Jun 2015 \$'000
Current income tax				
Current year	(1,101)	(1,037)	(1,592)	(1,624)
(Under) / overprovision in respect of prior years	(164)	33	(154)	208
Deferred tax	860	692	1,555	447
	<u>(405)</u>	<u>(312)</u>	<u>(191)</u>	<u>(969)</u>

### D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	30 Jun 2016 \$'000	31 Dec 2015 \$'000	30 Jun 2016 \$'000	31 Dec 2015 \$'000
Amount due within one year	4,010	4,131	67,409	30,510
Amount due after one year	104,074	111,316	9,250	10,000
	<u>108,084</u>	<u>115,447</u>	<u>76,659</u>	<u>40,510</u>

### E. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to Owners of \$1,598,000 (2015: loss of \$573,000) by the weighted average number of ordinary shares in issue during the period of 326,686,537 (2015: 319,609,382).

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

### F. NET ASSET VALUE PER SHARE

	Group		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net asset value per share based on existing issued share capital as at the end of the respective period	110.96 cts	114.57 cts	96.34 cts	100.46 cts
	<u>110.96 cts</u>	<u>114.57 cts</u>	<u>96.34 cts</u>	<u>100.46 cts</u>

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### G. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). Other than the adoption of the new and revised FRS which took effect from the current financial year, the accounting policies have been consistently applied by the Company and by the Group and are consistent with those used in the previous financial year. The adoption of the new and revised FRS has no impact on the financial position and financial performance of the Company.

### DIVIDENDS

	Group and Company 3 months ended	
	30 Jun 2016 \$'000	30 Jun 2015 \$'000
Final dividends paid, 4.0 cents per ordinary share, one-tier tax exempt (2015: 4.0 cents per ordinary share)	13,067	12,642

No dividend was declared or recommended during the period ended 30 June 2016 (2015: Nil).

### AUDIT

These Financial Statements have not been audited or reviewed by the Auditor.

### INTERESTED PERSON TRANSACTIONS

The Company does not have an Interested Person Transactions mandate.

### CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

The Board of Directors hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited Financial Statements of the Company and of the Group for the second quarter ended 30 June 2016 to be false or misleading in any material aspect.

### CONFIRMATION PURSUANT TO RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

### BY ORDER OF THE BOARD

**Thomas Teo Liang Huat**  
Chief Financial Officer

12 August 2016  
Singapore