



G. K. GOH HOLDINGS LIMITED

Financial Statements

And Related Announcement

For First Quarter Ended 31 March 2016

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the 1st Quarter

For the three months to March 2016, Group net profits amounted to S\$1.6 million (1Q15: S\$2.7 million) while total comprehensive income amounted to S\$7.0 million (1Q15: S\$1.5 million). Revenues in aggregate fell 23% to S\$18.6 million (1Q15: S\$24.1 million). Earnings per share was 0.55 cents (1Q15: 0.79 cents), while net assets per share rose to S\$1.168 (Dec 15: S\$1.146).

Opal Aged Care Group (“Opal”), our Australian associate, delivered on-budget results with 16% improvement in revenues and 21% improvement in EBITDA compared to 1Q15. Its contribution to our net profits was S\$4.1 million (1Q15: S\$2.3 million). At the end of March, Opal’s capacity was over 6,100 beds, compared with over 5,600 beds at the end of March 2015.

Boardroom Limited (“Boardroom”) (86.6%-owned) reported a weak first quarter, with its revenues affected by the general slowdown in economic activity in its principal markets, along with a reduction in corporate activity. Boardroom’s results were also negatively affected by currency movements relative to the Singapore dollar. Overall, its revenues declined by 8% while its net profit contribution fell to S\$0.6 million (1Q15: S\$1.6 million). For more details, please refer to Boardroom’s first quarter results statement.

G. K. Goh Financial Services (S) Pte Ltd also had a weak quarter because of reduced client activity in forex markets. Its revenues declined by 34% to S\$1.5 million (1Q15: S\$2.3 million), resulting in a loss of S\$0.2 million. The loss, however, was much less than 1Q15’s loss of S\$0.6 million, reflecting the progress made in cost-containment and business repositioning over the past year.

Our short-term investment and cash management activities returned a net profit of S\$1.0 million. Whilst this is less than the S\$5.4 million earned from investments in 1Q15, the situations are not comparable given the very different market conditions. This year’s first quarter was marked by extremely high volatility in financial markets, and as previously reported to shareholders, we had cut the size of the investment book across 2015. We took advantage of the market dislocation to moderately increase our short-term investment portfolio from S\$19.3 million at year end to S\$24.1 million at the end of March.

Other comprehensive income of S\$5.5 million (1Q15: negative S\$1.3 million) was largely boosted by the rise in the market price of Eastern & Oriental Berhad. Although currency markets were volatile in the quarter, the net impact of the various moves ended up being negligible, while 1Q15 had seen a significant negative impact.

The Group’s gross borrowings amounted to S\$166.2 million (Dec 15: S\$156.0 million). Gearing remains moderate at 27%.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

Our operating businesses and associates are expected to remain profitable in aggregate over the course of this year. The Australian government announced in last week's Budget statement that it would reduce spending on aged care by A\$1.2 billion over the next four years. The initial details have yet to be fully analysed but this is likely to have a moderate impact on Opal's revenues and profits when implemented. Nevertheless, we expect Opal will be able to continue to deliver good returns on our investment.

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STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Singapore dollars)

(These figures have not been audited)

	Note	Group 3 months ended		
		31 Mar 2016	31 Mar 2015	+/(−) %
		\$'000	\$'000	
Revenue				
Corporate services revenue		14,819	16,096	(8)
Financial services revenue		1,528	2,327	(34)
Investment income		910	4,727	(81)
Other income		1,334	908	47
Total revenue		<u>18,591</u>	<u>24,058</u>	(23)
Cost and expenses				
Commission and broking expenses		(306)	(1,071)	(71)
Employees' compensation and related costs		(12,669)	(13,463)	(6)
Office and equipment rental costs		(1,654)	(1,472)	12
Depreciation and amortisation		(1,621)	(1,656)	(2)
Technology and information services costs		(652)	(741)	(12)
Gain on foreign currency exchange		45	628	(93)
Provision for doubtful debts		(108)	(978)	(89)
Other operating expenses		(3,224)	(2,830)	14
Total cost and expenses		<u>(20,189)</u>	<u>(21,583)</u>	(6)
(Loss) / profit from operating activities		(1,598)	2,475	NM
Finance costs		(1,455)	(1,618)	(10)
Share of profit of associates		4,414	2,525	75
Profit before taxation	B	1,361	3,382	(60)
Taxation	C	214	(657)	NM
Profit for the period		1,575	2,725	(42)
Other comprehensive income				
Items that may be reclassified				
subsequently to profit or loss				
Net gain on fair value changes of available-for-sale financial assets		6,141	2,384	158
Share of other comprehensive loss of associates		(808)	(911)	(11)
Net gain on hedge of net investment		359	2,951	(88)
Foreign currency translation		(223)	(5,678)	(96)
Other comprehensive income / (loss) for the period, net of tax		5,469	(1,254)	NM
Total comprehensive income for the period		7,044	1,471	379
Profit / (loss) attributable to:				
Owners of the Company		1,805	2,511	(28)
Non-controlling interests		(230)	214	NM
		<u>1,575</u>	<u>2,725</u>	(42)
Total comprehensive income / (loss) attributable to:				
Owners of the Company		7,403	1,393	431
Non-controlling interests		(359)	78	NM
		<u>7,044</u>	<u>1,471</u>	379
NM : Not meaningful				
Earnings per share	E			
- Basic and diluted		0.55 cents	0.79 cents	

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BALANCE SHEETS

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

	Note	Group		Company	
		31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		17,408	17,582	-	-
Intangible assets		112,334	112,673	-	-
Investment properties		3,727	3,727	-	-
Subsidiaries		-	-	58,397	57,192
Associates		166,444	163,362	-	-
Long-term investments		217,457	200,776	5,702	5,702
Other long-term assets		14,603	14,543	-	-
Deferred tax assets		3,437	4,890	-	-
Current assets					
Amounts receivable from subsidiaries		-	-	291,283	290,742
Trade debtors		18,473	31,140	-	-
Other debtors		7,002	7,116	451	25
Short-term investments		24,146	19,300	-	-
Cash and bank balances		108,373	111,375	880	1,006
		157,994	168,931	292,614	291,773
Current liabilities					
Amounts due to associates		4,047	4,054	-	-
Trade creditors		79,067	73,704	-	-
Other creditors		19,504	33,235	651	505
Bank borrowings	D	41,891	34,641	27,940	24,562
Provision for taxation		586	1,175	244	228
		145,095	146,809	28,835	25,295
Net current assets		12,899	22,122	263,779	266,478
Non-current liabilities					
Bank borrowings	D	124,304	121,316	-	-
Provision for employee benefits		377	362	-	-
Deferred tax liabilities		17,977	19,196	1,139	1,167
Net assets		405,651	398,801	326,739	328,205
Equity attributable to Owners of the Company					
Share capital		191,987	191,987	191,987	191,987
Revenue reserve		178,357	176,552	134,615	136,081
Transactions with non-controlling interests		(6,956)	(6,911)	-	-
Capital reserve		209	207	137	137
Cash flow hedge reserve		(1,616)	(808)	-	-
Fair value adjustment reserve		38,689	32,548	-	-
Foreign currency translation reserve		(19,043)	(19,306)	-	-
		381,627	374,269	326,739	328,205
Non-controlling interests		24,024	24,532	-	-
Total equity		405,651	398,801	326,739	328,205

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STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

Group	Attributable to Owners of the Company									
	Share Capital	Revenue Reserve	Transactions with Non-controlling Interests	Capital Reserve	Cash Flow Hedge Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016										
Balance at 1 January 2016	191,987	176,552	(6,911)	207	(808)	32,548	(19,306)	374,269	24,532	398,801
Profit for the period	-	1,805	-	-	-	-	-	1,805	(230)	1,575
Other comprehensive income										
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	6,141	-	6,141	-	6,141
Share of other comprehensive loss of associates	-	-	-	-	(808)	-	-	(808)	-	(808)
Net gain on hedge of net investment	-	-	-	-	-	-	359	359	-	359
Foreign currency translation	-	-	-	2	-	-	(96)	(94)	(129)	(223)
Other comprehensive income for the period	-	-	-	2	(808)	6,141	263	5,598	(129)	5,469
Total comprehensive income for the period	-	1,805	-	2	(808)	6,141	263	7,403	(359)	7,044
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	(45)	-	-	-	-	(45)	(149)	(194)
Total changes in ownership interests in subsidiaries	-	-	(45)	-	-	-	-	(45)	(149)	(194)
Total transactions with Owners in their capacity as Owners	-	-	(45)	-	-	-	-	(45)	(149)	(194)
Balance at 31 March 2016	191,987	178,357	(6,956)	209	(1,616)	38,689	(19,043)	381,627	24,024	405,651

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STATEMENTS OF CHANGES IN EQUITY (Continued)

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	
Balance at 1 January 2015	183,112	176,337	(7,355)	171	-	48,876	(12,477)	388,664	16,117	404,781
Profit for the period	-	2,511	-	-	-	-	-	2,511	214	2,725
Other comprehensive income										
Net gain on fair value changes of available-for-sale financial assets	-	-	-	-	-	2,384	-	2,384	-	2,384
Share of other comprehensive loss of associates	-	-	-	-	(911)	-	-	(911)	-	(911)
Net gain on hedge of net investment	-	-	-	-	-	-	2,951	2,951	-	2,951
Foreign currency translation	-	-	-	26	-	-	(5,568)	(5,542)	(136)	(5,678)
Other comprehensive loss for the period	-	-	-	26	(911)	2,384	(2,617)	(1,118)	(136)	(1,254)
Total comprehensive income for the period	-	2,511	-	26	(911)	2,384	(2,617)	1,393	78	1,471
Changes in ownership interests in subsidiaries										
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	4,075	4,075
Sale of shares to non-controlling interests	-	-	1,349	-	-	-	-	1,349	8,102	9,451
Acquisition of non-controlling interests without a change in control	-	-	(44)	-	-	-	-	(44)	(159)	(203)
Total changes in ownership interests in subsidiaries	-	-	1,305	-	-	-	-	1,305	12,018	13,323
Total transactions with Owners in their capacity as Owners	-	-	1,305	-	-	-	-	1,305	12,018	13,323
Balance at 31 March 2015	183,112	178,848	(6,050)	197	(911)	51,260	(15,094)	391,362	28,213	419,575

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STATEMENTS OF CHANGES IN EQUITY (Continued)

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

Company 2015	Share Capital \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Total Equity \$'000
Balance at 1 January 2015	183,112	126,815	137	310,064
Profit for the period	-	4,910	-	4,910
Total comprehensive income for the period	-	4,910	-	4,910
Balance at 31 March 2015	183,112	131,725	137	314,974

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CONSOLIDATED CASH FLOW STATEMENT

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

	Group	
	3 months ended	
	31 Mar 2016	31 Mar 2015
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	1,361	3,382
Adjustments for :-		
Depreciation and amortisation	1,621	1,656
Loss on disposal of associates	-	1,207
Finance costs	1,455	1,618
Interest income	(218)	(416)
Dividend income	(538)	(372)
Gain on sale of long-term investments	(659)	(654)
Provision for doubtful debts	108	978
Fair value adjustment	291	(4,208)
Share of profit of associates	(4,414)	(2,525)
Operating (loss) / profit before reinvestment in working capital	(993)	666
Decrease / (increase) in debtors	12,632	(2,821)
Increase in short-term investments	(5,156)	(2,432)
Decrease in creditors	(8,580)	(9,572)
Cash flows used in operations	(2,097)	(14,159)
Interest paid	(1,235)	(1,397)
Interest received	199	377
Income tax paid	(990)	58
Net cash flows used in operating activities	(4,123)	(15,121)

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CONSOLIDATED CASH FLOW STATEMENT (Continued)

	Group	
	3 months ended	
	31 Mar 2016	31 Mar 2015
	\$'000	\$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(173)	(271)
Proceeds from disposal of property, plant and equipment	4	-
Purchase of intangible assets	(610)	(356)
Purchase of long-term investments	(12,577)	(5,190)
Proceeds from sale of long-term investments	3,634	6,526
Acquisition of subsidiary, net of cash acquired	-	(10,554)
Proceeds from disposal of associates	-	4,313
Net dividend received from associates	-	7,557
Dividend income received	472	315
Net cash flows (used in) / from investing activities	(9,250)	2,340
Cash flows from financing activities		
Acquisition of non-controlling interests	(194)	(203)
Proceeds from issuance of shares to non-controlling interests	-	4,075
Proceeds from sale of shares to non-controlling interests	-	9,451
Proceeds from bank borrowings	10,238	3,029
Net cash flows from financing activities	10,044	16,352
Net (decrease) / increase in cash and cash equivalents	(3,329)	3,571
Effect of exchange rate changes in opening cash and cash equivalents	327	2,792
Cash and cash equivalents at beginning of period	111,375	106,419
Cash and cash equivalents at end of period	108,373	112,782

Cash and bank balances of the Group include fixed deposits of \$1,564,000 (2015: \$1,022,000) and other cash and bank balances of \$55,644,000 (2015: \$36,888,000) of a subsidiary company which are segregated under the Securities and Futures Act and represent funds deposited by and accruing to customers.

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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the first quarter ended 31 March 2016, no (2015: Nil) shares were purchased or issued by the Company. The total number of issued shares as at 31 March 2016 was 326,686,537 (2015: 316,070,805). The Company did not hold any treasury shares as at 31 March 2016 and 2015.

B. REVENUE AND EXPENSES

Profit before taxation includes the following:

	Group 3 months ended	
	31 Mar 2016	31 Mar 2015
	\$'000	\$'000
Corporate services revenue	14,819	16,096
Financial services revenue –		
Commission	231	154
Forex broking revenue	1,297	2,173
Investment income –		
Fair value adjustment for short-term investments	(310)	2,885
Fair value adjustment for long-term investments	19	1,323
(Loss) / gain on sale of short-term investments	(214)	284
Gain on sale of long-term investments	659	654
Dividend income	538	372
Interest income:		
- Bank deposits	111	84
- Others	107	332
Loss on disposal of associates	-	(1,207)
Other income –		
Deferred management fee income	619	428
Rental income	96	74
Finance costs –		
Interest expense -		
Bank loans and overdrafts	(1,449)	(1,617)
Others	(6)	(1)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

	Group 3 months ended	
	31 Mar 2016 \$'000	31 Mar 2015 \$'000
Current income tax		
Current year	(491)	(587)
Overprovision in respect of prior years	10	175
Deferred tax	695	(245)
	<u>214</u>	<u>(657)</u>

D. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	Secured		Unsecured	
	31 Mar 2016 \$'000	31 Dec 2015 \$'000	31 Mar 2016 \$'000	31 Dec 2015 \$'000
Amount due within one year	4,124	4,131	37,767	30,510
Amount due after one year	114,304	111,316	10,000	10,000
	<u>118,428</u>	<u>115,447</u>	<u>47,767</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 \$1,805,000 (2015: \$2,511,000) by the weighted average number of ordinary shares in issue during the period of 326,686,537 (2015: 316,070,805).

There were no outstanding share options as at 31 March 2016 and 2015.

F. NET ASSET VALUE PER SHARE

	Group		Company	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Net asset value per share based on existing issued share capital as at the end of the respective period	116.82 cts	114.57 cts	100.02 cts	100.46 cts
	<u>116.82 cts</u>	<u>114.57 cts</u>	<u>100.02 cts</u>	<u>100.46 cts</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. ACCOUNTING POLICIES

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

DIVIDENDS

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

13 May 2016
Singapore