



G. K. GOH HOLDINGS LIMITED
Financial Statements
And Related Announcement
For The Year Ended 31 December 2014

(Co. Reg. No. 199000184D)

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REVIEW OF PERFORMANCE OF THE GROUP

Results for the 4th Quarter

For the 3 months to December 2014, the Group recorded total comprehensive income attributable to shareholders of S\$5.2million (4Q13: S\$7.8 million). This comprised net profits of S\$4.4million (4Q13: profit of S\$9.0 million), fair value gain in long-term investments of S\$3.1 million, net gain of S\$2.3 million on currency hedges for overseas assets, and a foreign currency translation loss of S\$4.6 million resulting mainly from weakness in Australian and Malaysian currencies relative to the Singapore dollar.

Within the net profits for the quarter, the Group recorded a one-off deferred tax asset gain of S\$4.1 million in recognition that there would be sufficient future taxable profits to fully utilise the carried forward tax losses of a subsidiary.

The operating results for the 4th quarter include contributions from Boardroom Limited ("Boardroom"), which became an 81%-owned subsidiary in March 2014. In 2013, Boardroom was accounted for as a 34%-owned associate.

Boardroom delivered a strong quarter, recording a net profit of S\$3.5 million (4Q13: S\$3.0 million). Revenue grew 4.1% to S\$18.2 million (4Q13: S\$17.5 million) mainly from its Share Registry and Accounting & Payroll services business. While operating and staff costs increased by 9.3%, the overall net profit after tax was still higher in this quarter due to additional tax savings from the government's Productivity and Innovation Credit scheme.

The Group's 4Q earnings were affected by some continued weakness and restructuring costs at G. K. Goh Financial Services (S) Pte Ltd ("GKG Financial Services"), where reduced volumes in client activity led to a loss of S\$1.3 million (4Q13: loss of S\$1.4 million).

Associate contributions were affected by a S\$0.9 million impairment of an investment by our private equity associate, Value Monetization III Ltd.

In addition, Opal Aged Care's ("Opal") associate contribution dropped to S\$1.2 million (4Q13: S\$6.5 million). Operating returns from Opal were within our expectations, but returns were reduced by the costs of a corporate restructuring within the quarter. Excluding these costs, Opal's contributions would have been similar to the 3rd quarter contribution of S\$2.8 million. It should be noted that Opal's 4Q13 numbers were inflated by one-off gains from the recognition of deferred tax assets as noted in last year's report.

The Group's investment and cash management delivered returns of S\$1.6 million (4Q13: S\$6.1 million). This was satisfactory in the context of market performance, and of a 40% decrease in the short-term investment portfolio since last December to partially fund our increased stake in Boardroom.

It should be noted that the Group did not accept the ongoing buyout offer for euNetworks Group Limited ("euNetworks") and will remain a shareholder even if it is delisted. As the bid was at a substantial premium to market prices, the increase in valuation over book cost is reflected in the Group's balance sheet and in the total comprehensive income for the quarter. This gain was partly offset by a fall in the market valuation of Eastern & Oriental Berhad ("E&O") in the 4th quarter. Overall, the Group saw a S\$3.1 million gain in its long-term investment portfolio in the 4th quarter.

Results for the Year to December 2014

Total comprehensive income attributable to shareholders in 2014 was S\$34.8 million (2013: S\$23.5 million). This comprised attributable net profits of S\$8.2 million (2013: S\$21.7 million), net fair value gain on available-for-sale financial assets of S\$27.4 million (2013: S\$9.2 million), the Group's share of other comprehensive income from associates totalling S\$3.1 million (2013: loss of S\$3.3 million), and net impact of foreign currency translation losses minus gains from currency hedges amounting to negative S\$3.9 million (2013: negative S\$4.1 million).

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Overall, the Group's net asset value ("NAV") per share rose to S\$1.23 from S\$1.18. Inclusive of the 4-cent dividend paid out during the year, the Group's net assets grew by approximately 7.3% during the year.

The reduction in net profits is partly the result of smaller gains from investment and interest income, amounting to S\$3.4 million (2013: S\$23.8 million). This is not only a function of market conditions, but also because of a 40% cut in the size of our short-term investment portfolio since December 2013, with the funds raised helping to partially fund the increase in our Boardroom stake.

Shareholders should note that some of our larger investments, including positions in E&O and euNetworks, are held as available-for-sale financial assets, where changes in value are reflected in the Group's NAV and other comprehensive income, but not through the profit or loss except in the case of impairment. Our long-term investments in aggregate rose in value by S\$27.4 million (2013: S\$9.2 million).

From March 2014, we have consolidated the results of Boardroom, prior to which it was a 34%-owned associate. Please note that Boardroom's contributions for January and February 2014 are accounted for at the associate level, while subsequent data reflects the increase in our stake to 82%. Boardroom's corporate services business has faced intense competitive pressures, particularly in Singapore, but this has been offset by growth in its Australian share registry business and improvements in Malaysia, Hong Kong and China. Despite continuing cost and margin challenges, and a weaker Australian dollar, Boardroom's management delivered better returns, particularly in the second half of 2014. Boardroom reported full year 2014 revenues of S\$67.5 million (2013: S\$62.6 million) and net profits of S\$9.2 million (2013: S\$8.0 million). For more details of Boardrooms's results and prospects, please refer to its recent 18-months results report which is available at www.boardroomlimited.com.

Resulting from the acquisition of Boardroom, the Group recognised S\$104.3 million of intangible assets in the balance sheet as at 31 December 2014. This comprised goodwill on consolidation of S\$60.5 million and identifiable intangible assets, such as brand name, customer relationships and computer software, of S\$43.8 million.

GKG Financial Services went through a difficult year, restructuring its business mix and cost base to improve its competitiveness. Restructuring costs, along with a slowdown in client trading activity in the latter part of the year, are reflected in the full year loss of S\$3.7 million (2013: S\$2.1 million).

Opal contributed S\$13.8 million to our share of associate profits in 2014, slightly ahead of our expectations for the first full year of our investment. The results include non-recurring exceptional items including deferred tax, the restructuring of a management long-term incentive plan and some one-time expenses for rebranding and training; collectively these had a net positive impact of S\$1.1 million. Overall, the operating results were commendable, particularly as the government cancelled its funding of a dementia supplement in July 2014. From January 2015, the government is withdrawing a payroll tax supplement, but we believe that the impact of this will be offset by further productivity and efficiency measures already being put in place.

Average occupancy across Opal's homes was 92.3% over the year, with a portfolio of more than 5,000 beds at the end of the year. In December 2014, Opal announced the acquisition of Aquarius Aged Care, adding 551 beds. Post-Aquarius, Opal now operates 69 residential aged care homes in four states, and has 23 brownfield and greenfield sites under development. Opal was also awarded an additional 966 bed licences in the latest Aged Care Approval Rounds in December 2014, equivalent to 8.6% of all new licences awarded. It was by far the largest single recipient of new licences to supply additional residential aged care capacity in Australia.

The Group's net gearing has risen to 30% partly as a result of the consolidation of Boardroom's accounts after March. This is adequately supported by cash flows from operating businesses and dividends expected from Opal.

REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

Dividend

The Directors recommend a 4-cent per share dividend for the 2014 financial year (2013: 4 cents).

The Directors also propose that shareholders be given the option of receiving their dividends in shares. The details of this scrip dividend proposal can be found in our announcement dated 25 February 2015.

VARIANCE BETWEEN PREVIOUS PROSPECT STATEMENT AND ACTUAL RESULTS

None

COMMENTARY ON PROSPECTS

Boardroom and Opal are expected to deliver steady earnings in 2015, while returns from financial investments remain difficult to predict over the short term. Following the restructuring of its business and client mix in 2014, GKG Financial Services is expected to show operational improvements in 2015. In aggregate, the Group expects to remain profitable in 2015.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

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

| | Note | Group | | | Group | | |
|---|------|-------------------|-------------------|--------------|-------------------|-------------------|--------------|
| | | 3 months ended | | + / (-) % | Year ended | | + / (-) % |
| | | 31 Dec 2014 | 31 Dec 2013 | | 31 Dec 2014 | 31 Dec 2013 | |
| | | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Continuing operations | | | | | | | |
| Revenue | | | | | | | |
| Corporate services revenue | | 18,141 | - | NM | 58,522 | - | NM |
| Financial services revenue | | 2,243 | 1,884 | 19 | 8,300 | 15,962 | (48) |
| Investment income | | 1,642 | 6,127 | (73) | 3,456 | 23,809 | (85) |
| Other income | | 404 | 88 | 359 | 1,674 | 536 | 212 |
| Total revenue | | <u>22,430</u> | <u>8,099</u> | 177 | <u>71,952</u> | <u>40,307</u> | 79 |
| Cost and expenses | | | | | | | |
| Commission and broking expenses | | (1,073) | (1,144) | (6) | (3,692) | (9,736) | (62) |
| Employees' compensation and related costs | | (12,953) | (2,594) | 399 | (43,301) | (10,570) | 310 |
| Office and equipment rental costs | | (1,497) | (284) | 427 | (5,149) | (1,128) | 356 |
| Depreciation and amortisation | | (1,516) | (288) | 426 | (5,088) | (1,072) | 375 |
| Technology and information services costs | | (857) | (524) | 64 | (3,419) | (2,010) | 70 |
| Gain on foreign currency exchange | | 631 | 100 | 531 | 603 | 313 | 93 |
| Provision for doubtful debts | | (289) | (133) | 117 | (1,065) | (516) | 106 |
| Other operating expenses | | (3,185) | (830) | 284 | (9,840) | (2,859) | 244 |
| Total cost and expenses | | <u>(20,739)</u> | <u>(5,697)</u> | 264 | <u>(70,951)</u> | <u>(27,578)</u> | 157 |
| Profit from operating activities | | 1,691 | 2,402 | (30) | 1,001 | 12,729 | (92) |
| Finance costs | | (1,750) | (1,049) | 67 | (6,398) | (1,357) | 371 |
| Share of profit of associates | | (76) | 7,783 | NM | 11,445 | 10,169 | 13 |
| (Loss) / profit before taxation | B | (135) | 9,136 | NM | 6,048 | 21,541 | (72) |
| Taxation | C | 5,032 | (134) | NM | 3,732 | 114 | 3,174 |
| Profit for the year | | 4,897 | 9,002 | (46) | 9,780 | 21,655 | (55) |
| 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 | | 3,113 | 3,370 | (8) | 27,403 | 9,240 | 197 |
| Share of other comprehensive (loss) / income of associates | | - | (850) | NM | 3,128 | (3,303) | NM |
| Net gain on hedge on net investment | | 2,305 | 3,994 | NM | 3,368 | 5,114 | NM |
| Foreign currency translation | | (4,744) | (7,709) | (38) | (7,481) | (9,202) | (19) |
| Other comprehensive income / (loss) for the period, net of tax | | 674 | (1,195) | NM | 26,418 | 1,849 | 1,329 |
| Total comprehensive income for the year | | 5,571 | 7,807 | (29) | 36,198 | 23,504 | 54 |
| Profit attributable to: | | | | | | | |
| Owners of the Company | | 4,398 | 9,002 | (51) | 8,178 | 21,655 | (62) |
| Non-controlling interests | | 499 | - | NM | 1,602 | - | NM |
| | | <u>4,897</u> | <u>9,002</u> | (46) | <u>9,780</u> | <u>21,655</u> | (55) |
| Total comprehensive income attributable to: | | | | | | | |
| Owners of the Company | | 5,189 | 7,807 | (34) | 34,840 | 23,504 | 48 |
| Non-controlling interests | | 382 | - | NM | 1,358 | - | NM |
| | | <u>5,571</u> | <u>7,807</u> | (29) | <u>36,198</u> | <u>23,504</u> | 54 |
| NM : Not meaningful | | | | | | | |
| Basic and diluted earnings per share - continuing operations | F | 1.39 cents | 2.85 cents | | 2.59 cents | 6.85 cents | |

Financial Statements

BALANCE SHEETS

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

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 31 Dec 2014 | 31 Dec 2013 | 31 Dec 2014 | 31 Dec 2013 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 17,620 | 1,724 | - | - |
| Investment properties | | 3,727 | 3,727 | - | - |
| Intangible assets | D | 104,276 | - | - | - |
| Subsidiaries | | - | - | 45,843 | 43,784 |
| Associates | | 178,936 | 208,081 | 5,688 | 5,688 |
| Long-term investments | | 223,888 | 171,629 | - | - |
| Deferred tax asset | | 1,262 | - | - | - |
| Current assets | | | | | |
| Amounts receivable from subsidiaries | | - | - | 291,980 | 263,601 |
| Trade debtors | | 25,670 | 7,954 | - | - |
| Other debtors | | 7,509 | 5,444 | 15 | 10 |
| Short-term investments | | 33,515 | 56,962 | - | - |
| Cash and bank balances | | 106,419 | 83,292 | 1,470 | 833 |
| | | <u>173,113</u> | <u>153,652</u> | <u>293,465</u> | <u>264,444</u> |
| Current liabilities | | | | | |
| Amounts due to associates | | 4,114 | 476 | - | - |
| Trade creditors | | 79,439 | 58,846 | - | - |
| Other creditors | | 13,048 | 7,005 | 415 | 423 |
| Bank borrowings | E | 57,764 | 20,143 | 33,772 | 6,204 |
| Provision for taxation | | 1,021 | 693 | (203) | 532 |
| | | <u>155,386</u> | <u>87,163</u> | <u>33,984</u> | <u>7,159</u> |
| Net current assets | | 17,727 | 66,489 | 259,481 | 257,285 |
| Non-current liabilities | | | | | |
| Bank borrowings | E | 130,796 | 76,708 | - | - |
| Provision for employee benefits | | 273 | - | - | - |
| Deferred tax liability | | 11,586 | 1,120 | 948 | 767 |
| | | <u>404,781</u> | <u>373,822</u> | <u>310,064</u> | <u>305,990</u> |
| Net assets | | | | | |
| Equity | | | | | |
| Share capital | | 183,112 | 183,112 | 183,112 | 183,112 |
| Revenue reserve | | 176,337 | 180,803 | 126,815 | 122,741 |
| Premium on acquisition of non-controlling interests | | (7,355) | - | - | - |
| Capital reserve | | 171 | 137 | 137 | 137 |
| Fair value adjustment reserve | | 48,876 | 20,960 | - | - |
| Foreign currency translation reserve | | (12,477) | (11,190) | - | - |
| | | <u>388,664</u> | <u>373,822</u> | <u>310,064</u> | <u>305,990</u> |
| Non-controlling interests | | 16,117 | - | - | - |
| Total equity | | <u>404,781</u> | <u>373,822</u> | <u>310,064</u> | <u>305,990</u> |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Singapore dollars)

(These figures have not been audited)

| Group | Attributable to Owners of the Company | | | | | | | | Total Equity \$'000 |
|---|---------------------------------------|---------------------------|---|---------------------------|---|--|--|-------------------------------------|------------------------|
| | Share Capital \$'000 | Revenue Reserve \$'000 | Premium on Acquisition of Non-controlling Interests \$'000 | Capital Reserve \$'000 | Fair Value Adjustment Reserve \$'000 | Foreign Currency Translation Reserve \$'000 | Equity Attributable to Owners of the Company \$'000 | Non-controlling Interests \$'000 | |
| 2014 | | | | | | | | | |
| Balance at 1 January 2014 | 183,112 | 180,803 | - | 137 | 20,960 | (11,190) | 373,822 | - | 373,822 |
| Profit for the year | - | 8,178 | - | - | - | - | 8,178 | 1,602 | 9,780 |
| Other comprehensive income | | | | | | | | | |
| Net gain on fair value changes of available-for-sale financial assets | - | - | - | - | 27,403 | - | 27,403 | - | 27,403 |
| Share of other comprehensive income of associates | - | (1) | - | - | 513 | 2,616 | 3,128 | - | 3,128 |
| Net gain on hedge on net investment | - | - | - | - | - | 3,368 | 3,368 | - | 3,368 |
| Foreign currency translation | - | - | - | 34 | - | (7,271) | (7,237) | (244) | (7,481) |
| Other comprehensive income for the year | - | (1) | - | 34 | 27,916 | (1,287) | 26,662 | (244) | 26,418 |
| Total comprehensive income for the year | - | 8,177 | - | 34 | 27,916 | (1,287) | 34,840 | 1,358 | 36,198 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Group | Attributable to Owners of the Company | | | | | | | | Total Equity \$'000 |
|---|---------------------------------------|------------------------------|--|------------------------------|---|---|---|--|---------------------------|
| | Share Capital \$'000 | Revenue Reserve \$'000 | Premium on Acquisition of Non-controlling Interests \$'000 | Capital Reserve \$'000 | Fair Value Adjustment Reserve \$'000 | Foreign Currency Translation Reserve \$'000 | Equity Attributable to Owners of the Company \$'000 | Non- controlling Interests \$'000 | |
| 2014 | | | | | | | | | |
| Contributions by and distributions to Owners | | | | | | | | | |
| Dividend on ordinary shares | - | (12,643) | - | - | - | - | (12,643) | - | (12,643) |
| Total contributions by and distributions to Owners | - | (12,643) | - | - | - | - | (12,643) | - | (12,643) |
| Changes in ownership interests in subsidiaries that do not result in loss of control | | | | | | | | | |
| Acquisition of subsidiary | - | - | - | - | - | - | - | 38,991 | 38,991 |
| Issuance of shares to non-controlling interests | - | - | - | - | - | - | - | 165 | 165 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | (703) | (703) |
| Acquisition of non-controlling interests without a change in control | - | - | (7,355) | - | - | - | (7,355) | (23,694) | (31,049) |
| Total changes in ownership interests in subsidiaries | - | - | (7,355) | - | - | - | (7,355) | 14,759 | 7,404 |
| Total transactions with Owners in their capacity as Owners | - | (12,643) | (7,355) | - | - | - | (19,998) | 14,759 | (5,239) |
| Balance at 31 December 2014 | 183,112 | 176,337 | (7,355) | 171 | 48,876 | (12,477) | 388,664 | 16,117 | 404,781 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Group 2013 | Attributable to Owners of the Company | | | | | |
|--|---------------------------------------|--------------------|--------------------|-------------------------------------|---|-----------------|
| | Share Capital | Revenue Reserve | Capital Reserve | Fair Value Adjustment Reserve | Foreign Currency Translation Reserve | Total Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2013 | 183,112 | 172,378 | 137 | 12,728 | (5,410) | 362,945 |
| Profit for the year | - | 21,655 | - | - | - | 21,655 |
| Other comprehensive income | | | | | | |
| Net gain on fair value changes of available-for-sale financial assets | - | - | - | 9,240 | - | 9,240 |
| Share of other comprehensive loss of associates | - | (603) | - | (1,008) | (1,692) | (3,303) |
| Net gain on hedge on net investment | - | - | - | - | 5,114 | 5,114 |
| Foreign currency translation | - | - | - | - | (9,202) | (9,202) |
| Other comprehensive income for the year | - | (603) | - | 8,232 | (5,780) | 1,849 |
| Total comprehensive income for the year | - | 21,052 | - | 8,232 | (5,780) | 23,504 |
| Contributions by and distributions to Owners | | | | | | |
| Unclaimed dividend | - | 16 | - | - | - | 16 |
| Dividend on ordinary shares | - | (12,643) | - | - | - | (12,643) |
| Total transactions with Owners in their capacity as Owners | - | (12,627) | - | - | - | (12,627) |
| Balance at 31 December 2013 | 183,112 | 180,803 | 137 | 20,960 | (11,190) | 373,822 |

Financial Statements

STATEMENTS OF CHANGES IN EQUITY (Continued)

| Company 2014 | Share Capital \$'000 | Revenue Reserve \$'000 | Capital Reserve \$'000 | Total Equity \$'000 |
|---|----------------------------|------------------------------|------------------------------|---------------------------|
| Balance at 1 January 2014 | 183,112 | 122,741 | 137 | 305,990 |
| Profit for the year | - | 16,717 | - | 16,717 |
| Total comprehensive income for the year | - | 16,717 | - | 16,717 |
| Contributions by and distributions to Owners | | | | |
| Dividend on ordinary shares | - | (12,643) | - | (12,643) |
| Total transactions with Owners in their capacity as Owners | - | (12,643) | - | (12,643) |
| Balance at 31 December 2014 | 183,112 | 126,815 | 137 | 310,064 |

| Company 2013 | Share Capital \$'000 | Revenue Reserve \$'000 | Capital Reserve \$'000 | Total Equity \$'000 |
|---|----------------------------|------------------------------|------------------------------|---------------------------|
| Balance at 1 January 2013 | 183,112 | 114,774 | 137 | 298,023 |
| Profit for the year | - | 20,594 | - | 20,594 |
| Total comprehensive income for the year | - | 20,594 | - | 20,594 |
| Contributions by and distributions to Owners | | | | |
| Unclaimed dividend | - | 16 | - | 16 |
| Dividend on ordinary shares | - | (12,643) | - | (12,643) |
| Total transactions with Owners in their capacity as Owners | - | (12,627) | - | (12,627) |
| Balance at 31 December 2013 | 183,112 | 122,741 | 137 | 305,990 |

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

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

| | Group | |
|--|--------------------|--------------------|
| | Year ended | |
| | 31 Dec 2014 | 31 Dec 2013 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 6,048 | 21,541 |
| Adjustments for :- | | |
| Depreciation and amortisation | 5,088 | 1,072 |
| Loss / (gain) on disposal of property, plant and equipment | 300 | (157) |
| Gain on disposal of associates | (241) | - |
| Negative goodwill on acquisition of subsidiary | (440) | - |
| Finance costs | 6,398 | 1,357 |
| Interest income | (920) | (1,176) |
| Dividend income | (3,427) | (2,756) |
| Gain on sale of long-term investments | (251) | (4,904) |
| Provision for doubtful debts | 1,065 | 516 |
| Fair value adjustment | 4,499 | (1,098) |
| Share of profit of associates | (11,445) | (10,169) |
| Operating profit before reinvestment in working capital | 6,674 | 4,226 |
| (Increase) / decrease in debtors | (1,488) | 8,994 |
| Decrease in short-term investments | 18,721 | 31,217 |
| Increase / (decrease) in creditors | 13,520 | (113,887) |
| Cash flows from / (used in) operations | 37,427 | (69,450) |
| Interest paid | (6,252) | (763) |
| Interest received | 879 | 1,168 |
| Income tax (paid) / refund | (2,316) | 362 |
| Net cash flows from / (used in) operating activities | 29,738 | (68,683) |

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT (Continued)

| | Group | |
|--|-----------------|------------------|
| | Year ended | |
| | 31 Dec 2014 | 31 Dec 2013 |
| | \$'000 | \$'000 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (13,580) | (1,246) |
| Proceeds from disposal of property, plant and equipment | 82 | 157 |
| Purchase of intangible assets | (1,439) | - |
| Purchase of long-term investments | (31,144) | (36,502) |
| Proceeds from sale of long-term investments | 10,980 | 56,842 |
| Acquisition of subsidiary, net of cash acquired | (774) | - |
| Investments in associates | (15,992) | (168,709) |
| Proceeds from disposal of associates | 255 | - |
| Net dividend received from associates | 7,184 | 3,095 |
| Dividend income received | 3,146 | 2,401 |
| Net cash flows used in investing activities | <u>(41,282)</u> | <u>(143,962)</u> |
| Cash flows from financing activities | | |
| Dividend paid | (12,643) | (12,643) |
| Unclaimed dividend | - | 16 |
| Acquisition of non-controlling interests | (31,049) | - |
| Dividend paid to non-controlling interests | (703) | - |
| Proceeds from issuance of shares to non-controlling interests | 165 | - |
| Proceeds from bank borrowings | 75,459 | 84,192 |
| Net cash flows from financing activities | <u>31,229</u> | <u>71,565</u> |
| Net increase / (decrease) in cash and cash equivalents | 19,685 | (141,080) |
| Effect of exchange rate changes in opening cash and cash equivalents | 3,442 | 4,166 |
| Cash and cash equivalents at beginning of year | 83,292 | 220,206 |
| Cash and cash equivalents at end of year | <u>106,419</u> | <u>83,292</u> |

Cash and bank balances of the Group include fixed deposits of \$1,021,000 (2013: \$8,818,000) and other cash and bank balances of \$49,514,000 (2013: \$35,714,000) of a subsidiary company which are segregated under the Securities and Futures Act and represent funds deposited by customers and accruing to customers.

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

(Amounts in Singapore dollars)

(These figures have not been audited)

A. SHARE CAPITAL

In the year ended 31 December 2014, no (2013: Nil) shares were purchased or issued by the Company. The total number of issued shares as at 31 December 2014 was 316,070,805 (2013: 316,070,805). The Company did not hold any treasury shares as at 31 December 2014 and 2013.

B. REVENUE AND EXPENSES

Profit before taxation includes the following:

| | Group Year ended | |
|---|-----------------------|-----------------------|
| | 31 Dec 2014 \$'000 | 31 Dec 2013 \$'000 |
| Corporate services revenue | 58,522 | - |
| Financial services revenue – | | |
| Commission | 385 | 474 |
| Forex broking revenue | 7,915 | 15,488 |
| Investment income – | | |
| Fair value adjustment for short-term investments | (4,726) | (720) |
| Fair value adjustment for long-term investments | 227 | 1,818 |
| Gain on sale of short-term investments | 2,837 | 13,575 |
| Gain / (loss) on sale of long-term investments | 251 | 4,904 |
| Dividend income | 3,427 | 2,756 |
| Interest income : | | |
| - Bank deposits | 162 | 223 |
| - Others | 758 | 953 |
| Gain on disposal of associates | 241 | - |
| Other investment income | 279 | 300 |
| Other income – | | |
| Service income | 66 | 76 |
| Rental income | 233 | 242 |
| Gain on disposal of property, plant and equipment | - | 157 |
| Finance costs – | | |
| Interest expense - | | |
| Bank loans and overdrafts | (6,355) | (1,343) |
| Others | (43) | (14) |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. TAX

| | Group Year ended | |
|---|-----------------------|-----------------------|
| | 31 Dec 2014 \$'000 | 31 Dec 2013 \$'000 |
| Current income tax | | |
| Current year | (2,720) | (887) |
| Overprovision in respect of prior years | 729 | 1,379 |
| Deferred tax | 5,723 | (378) |
| | <u>3,732</u> | <u>114</u> |

D. INTANGIBLE ASSETS

The Group recognised \$104.3 million of intangible assets resulting from the acquisition of Boardroom. The purchase price allocation exercise for this acquisition has been finalised and adjustments to the intangible assets and related amortisation costs have been accounted for retrospectively to the date of acquisition.

E. AGGREGATE AMOUNT OF GROUP'S BORROWINGS

| | Secured | | Unsecured | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec 2014 \$'000 | 31 Dec 2013 \$'000 | 31 Dec 2014 \$'000 | 31 Dec 2013 \$'000 |
| Amount due within one year | 4,331 | 2,256 | 53,433 | 17,887 |
| Amount due after one year | 119,296 | 76,708 | 11,500 | - |
| | <u>123,627</u> | <u>78,964</u> | <u>64,933</u> | <u>17,887</u> |

F. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit attributable to Owners of \$8,178,000 (2013: \$21,655,000) by the weighted average number of ordinary shares in issue during the year of 316,070,805 (2013: 316,070,805).

There were no outstanding share options as at 31 December 2014 and 2013.

G. NET ASSET VALUE PER SHARE

| | Group | | Company | |
|---|---------------|---------------|--------------|--------------|
| | 31 Dec 2014 | 31 Dec 2013 | 31 Dec 2014 | 31 Dec 2013 |
| Net asset value per share based on existing issued share capital as at the end of the respective period | 122.97 cts | 118.27 cts | 98.10 cts | 96.81 cts |
| | <u>122.97</u> | <u>118.27</u> | <u>98.10</u> | <u>96.81</u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

H. SEGMENTAL RESULTS

| 2014 | Investment Holding \$'000 | Corporate Services \$'000 | Financial Services \$'000 | Elimination \$'000 | Consolidated \$'000 |
|----------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------|------------------------|
| Revenue | | | | | |
| External revenue | 4,181 | 59,292 | 8,479 | - | 71,952 |
| Inter-segment revenue | 174 | 98 | 45 | (317) | - |
| Total revenue | <u>4,355</u> | <u>59,390</u> | <u>8,524</u> | <u>(317)</u> | <u>71,952</u> |
| Results | | | | | |
| Interest income | 870 | 86 | 138 | (174) | 920 |
| Finance costs | 5,838 | 554 | 180 | (174) | 6,398 |
| Depreciation and amortisation | 192 | 4,184 | 712 | - | 5,088 |
| Fair value adjustments | (4,499) | - | - | - | (4,499) |
| Share of profit of associates | 11,445 | - | - | - | 11,445 |
| Segment profit / (loss) | <u>650</u> | <u>9,102</u> | <u>(3,704)</u> | <u>-</u> | <u>6,048</u> |
| Assets | | | | | |
| Investment in associates | 178,936 | - | - | - | 178,936 |
| Additions to non-current assets | 12,674 | 2,288 | 57 | - | 15,019 |
| Segment assets | <u>477,149</u> | <u>138,950</u> | <u>92,799</u> | <u>(7,338)</u> | <u>701,560</u> |
| Unallocated assets | | | | | <u>1,262</u> |
| Total assets | | | | | <u><u>702,822</u></u> |
| Liabilities | | | | | |
| Segment liabilities | <u>133,112</u> | <u>78,635</u> | <u>81,025</u> | <u>(7,338)</u> | <u>285,434</u> |
| Unallocated liabilities | | | | | <u>12,607</u> |
| Total liabilities | | | | | <u><u>298,041</u></u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

H. SEGMENTAL RESULTS (CONTINUED)

| 2013 | Investment Holding \$'000 | Corporate Services \$'000 | Financial Services \$'000 | Elimination \$'000 | Consolidated \$'000 |
|----------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------|------------------------|
| Revenue | | | | | |
| External revenue | 24,121 | - | 16,186 | - | 40,307 |
| Inter-segment revenue | 174 | - | 47 | (221) | - |
| Total revenue | <u>24,295</u> | - | <u>16,233</u> | <u>(221)</u> | <u>40,307</u> |
| Results | | | | | |
| Interest income | 1,188 | - | 162 | (174) | 1,176 |
| Finance costs | 1,343 | - | 188 | (174) | 1,357 |
| Depreciation and amortisation | 163 | - | 909 | - | 1,072 |
| Fair value adjustments | 1,098 | - | - | - | 1,098 |
| Share of profit of associates | 10,169 | - | - | - | 10,169 |
| Segment profit / (loss) | <u>23,610</u> | - | <u>(2,069)</u> | - | <u>21,541</u> |
| Assets | | | | | |
| Investment in associates | 208,081 | - | - | - | 208,081 |
| Additions to non-current assets | 447 | - | 799 | - | 1,246 |
| Segment assets | <u>464,612</u> | - | <u>80,859</u> | <u>(6,658)</u> | <u>538,813</u> |
| Unallocated assets | | | | | - |
| Total assets | | | | | <u>538,813</u> |
| Liabilities | | | | | |
| Segment liabilities | <u>104,438</u> | - | <u>65,398</u> | <u>(6,658)</u> | <u>163,178</u> |
| Unallocated liabilities | | | | | 1,813 |
| Total liabilities | | | | | <u>164,991</u> |

Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

H. SEGMENTAL RESULTS (CONTINUED)

| | Revenue from External Customers | | Non-current Assets | |
|--------------|---------------------------------|---------------|--------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore | 35,113 | 40,307 | 27,832 | 1,724 |
| Australia | 23,341 | - | 62,732 | - |
| Malaysia | 5,550 | - | 12,833 | 3,727 |
| Hong Kong | 6,398 | - | 21,510 | - |
| China | 1,550 | - | 716 | - |
| Total | 71,952 | 40,307 | 125,623 | 5,451 |

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

I. BREAKDOWN OF SALES

| | Group | | |
|---|-------------|-------------|--------------|
| | Year ended | | + / (-) % |
| | 31 Dec 2014 | 31 Dec 2013 | |
| | \$'000 | \$'000 | |
| <u>First Half</u> | | | |
| Sales reported for first half year | 29,645 | 24,623 | 20 |
| Operating profit after tax before deducting minority interests reported for first half year | 5,069 | 11,840 | (57) |
| <u>Second Half</u> | | | |
| Sales reported for second half year | 42,307 | 15,684 | 170 |
| Operating profit after tax before deducting minority interests reported for second half year | 4,711 | 9,815 | (52) |

J. 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.

Financial Statements

DIVIDENDS

| | Group and Company Year ended | |
|--|---------------------------------|-----------------------|
| | 31 Dec 2014 \$'000 | 31 Dec 2013 \$'000 |
| Final dividend paid, 4.0 cents per ordinary share, one-tier tax exempt (2013: 4.0 cents per ordinary share) | 12,643 | 12,643 |

The Directors recommend a first and final dividend of 4 cents per ordinary share (one-tier tax exempt) be paid in respect of the current financial year. The proposed dividend will amount to approximately \$12,643,000.

Payment of the dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. The books closure date to determine shareholders' entitlement to the proposed dividend, and the payment date of the dividend, will be announced at a later date.

The Directors propose to implement a scrip dividend scheme which will allow shareholders to elect to receive fully paid new ordinary shares in lieu of part only or all of the cash amount of their dividend. Implementation of the scrip dividend scheme is subject to shareholders' approval for certain alterations to the Company's Articles of Association at an extraordinary general meeting to be convened.

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.

DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

| Name | Age | Family relationship with any director, CEO, or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|-----|--|---|---|
| Goh Geok Khim | 82 | Father of Goh Yew Lin | Executive Chairman since 1990 | No change |
| Goh Yew Lin | 55 | Son of Goh Geok Khim | (1) Executive Director - Oversee the group's investments since 1990 (2) Managing Director - Overall management of the group since 2008 | No change |

BY ORDER OF THE BOARD

Thomas Teo Liang Huat
Company Secretary

25 February 2015
Singapore