

Issuer: G. K. Goh Holdings Limited

Security: G. K. Goh Holdings Limited

Meeting details:

Date: 24 April 2017

Time: 10:00H

Venue: Cinnamon Room, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031

Company Description

G. K. Goh Holdings Limited, an investment holding company, engages in securities business in Singapore, Malaysia, Hong Kong, China, and Australia. It operates in Investment Holding and Corporate Services segments. The company offers corporate and advisory services, including accounting and tax, corporate secretarial, HR and payroll, governance, risk and compliance, and share registry services, as well as invests in retirement living assets and public markets. It also operates 72 residential aged care homes and approximately 6,000 bed-spaces across 4 states in Australia. The company was founded in 1979 and is based in Singapore. G. K. Goh Holdings Limited is a subsidiary of GKG Investment Holdings Pte Ltd.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=G41)

Q1. As mentioned in the Chairman's Statement (pages 3 to 6 of the annual report), the group intends to build up its portfolio in Aged Care for Singapore given the demographics trends. The Chairman had also described in great details the experience gained by the group since buying into Opal Aged Care Group (then Domain Principal) three years ago.

- a) **Can shareholders understand how similar are the operating environments for aged care in Singapore and in Australia? How much of what works for Opal can be directly applied to Allium (Aged care in Singapore)?**
- b) **Given that the land alone for Venus Drive is \$24.3 million, and that the group has plans for a portfolio of nursing homes in Singapore, how much is the group prepared to commit to fund its aged care business in Singapore? How is the group going to fund the growth of Allium/aged care business in Singapore?**
- c) **Specifically for the Venus site, what is the planned capital expenditure? What is the targeted segment and how many beds would that have?**

Q2. As seen in Note 32 (page 118 – Capital management), the group's gearing ratio is at 31% as at 31 December 2016, up from 25% a year ago. The group was in a net cash position in 2011 and 2012, and gearing has since increased from 16% in 2013 to 30% in 2014. Gearing ratio is defined as net borrowings divided by total capital plus net borrowings.

The base dividend has also been reset to 3 cents per share, with the board giving its assurance that additional dividends will be declared in years where exceptional gains are made.

- a) **What is the board's guidance or management's internal limit to the group's gearing ratio?**

Q3. As seen in the summary of the group's balance sheet (page 5), the group has 49% in operating assets, 20% in public equity assets and 31% in private equity assets. The largest individual investments in private equity assets are EUN Holdings(7%) and Habitat Assets Pte Ltd(4%).

- a) **EUN Holdings:** The group holds a 7.5% stake in the partnership entity that now owns euNetworks Group Limited. **Can shareholders understand if management has any oversight of the operations and performance of EUN?**
- b) **Habitat Assets Pte Ltd (HAPL):** Prior to January 2015, the group owned 100% of HAPL and the group's interests in HAPL has been partially sold or diluted to the 55% as at 31 December 2016. Following a new round of fund raising (announcement dated 12 April 2017), the group's interest will be reduced to 37.66%. **What is the strategic value of HAPL to the group?**
- c) **Does the group expect any realisation of value or monetisation event in its private equity portfolio in the near term?**