



**Securities Investors Association (Singapore)**

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UEN No: S99SS0111B

GST Reg No: M90367530Y

**Issuer:** G. K. Goh Holdings Limited

**Security:** G. K. Goh Holdings Limited

**Meeting details:**

Date: 25 April 2019

Time: 10.00 a.m.

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

**Company Description**

G. K. Goh Holdings Limited, an investment holding company, provides corporate services in Singapore, Australia, Malaysia, Hong Kong, and China. The company offers accounting, taxation, corporate secretarial, HR and payroll, governance, risk and compliance, and share registry services; and management consultancy services. It also offers aged care and healthcare related services; and operates nursing homes. 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](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=G41))

1. Would the board/management provide shareholders with better clarity on the Aged care segment? Specifically:

- (i) Opal Aged Care Group (“Opal”): What are the occupancy rates of existing homes under Opal? What is the level of control and influence on the day-to-day matters of Opal by the company? Has the board reviewed the operational and reputational risks of Opal given that the sector is under scrutiny in Australia? What is the level of oversight provided by the group and how does it ensure that Opal maintains a high level of care for its residents?**
  
- (ii) Allium Singapore: Can management elaborate further on the business model of Allium Singapore? Specifically, what is a “Care Studio” and what are the value drivers for the “Care studio” business? What is the size of the first nursing home under Allium Singapore? How soon does the group expect the home to fill up?**

2. As noted in the chairman’s statement, the group re-invested the cash proceeds from the sale of EUN Holdings LLP and Croesus Retail Trust in *“holdings in general venture capital funds as well as specialist funds in global infrastructure, Japan tourism assets, food innovation, biosciences and medical technology, and science-based spinouts from top British universities”*.

In addition, the group has \$49.8 million in public equities and funds, of which \$30.3 million is in short-term equity portfolio (page 6).

A comparison of the balance sheet is shown below:



### Balance Sheet

Group Investments as at 31 December 2018	Carrying Value (\$'million)	% of Total Assets
Opal Aged Care Group	155.5	28%
Boardroom Limited	120.8	21%
Allium Healthcare Group	34.2	6%
Habitat Assets Pte Ltd	24.3	4%
<b>Operating Assets (A)</b>	<b>334.8</b>	<b>59%</b>
Eastern & Oriental Berhad	29.0	5%
Public Equities & Funds	49.8	9%
<b>Listed Investments (B)</b>	<b>78.8</b>	<b>14%</b>
Venture Capital & Funds	33.0	6%
Private Equities & Funds	119.4	21%
<b>Non-listed Investments (C)</b>	<b>152.4</b>	<b>27%</b>
<b>Investment Assets (B+C)</b>	<b>231.2</b>	<b>41%</b>
<b>Total Assets (A+B+C)</b>	<b>566.0</b>	<b>100%</b>
Net Debt	(132.4)	23%
<b>Net Assets</b>	<b>433.6</b>	<b>77%</b>

### Balance Sheet

Group Investments as at 31 December 2017	Carrying Value (\$'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%
<b>Operating Assets (A)</b>	<b>311.5</b>	<b>51%</b>
Eastern & Oriental Berhad	35.8	6%
Public Equities & Funds	62.2	10%
<b>Public Equity Assets (B)</b>	<b>98.0</b>	<b>16%</b>
EUN Holdings LLP	106.5	18%
Private Equities & Funds	91.1	15%
<b>Private Equity Assets (C)</b>	<b>197.6</b>	<b>33%</b>
Investment Assets (B+C)	295.6	49%
<b>Total Assets (A+B+C)</b>	<b>607.1</b>	<b>100%</b>
Net Debt	(136.4)	22%
<b>Net Assets</b>	<b>470.7</b>	<b>78%</b>

(Source: Adapted from Company annual report 2018 and 2017)

- (i) Can management help shareholders understand the shortlisting and selection process for the group's investments in private equity and venture capital funds?
- (ii) Is there an investment committee to provide oversight of the group's investments?
- (iii) What is the rationale for the shift in the group's investment into more early stage companies (i.e. venture capital funds)? Would there be more volatility and risk associated with the VC investments?

3. The board comprises six directors, including Mr Goh Geok Khim as executive chairman, Mr. Goh Yew Lin as managing director and Mr. Thomas Teo Liang Huat as Executive director & chief financial officer.

The biographies of the directors can be found on pages 8 to 10 of the annual report.

- (i) Would the board help shareholders understand the different roles and responsibilities of the three executive directors?
- (ii) Are there different key performance indicators to assess the performance of the individual directors?



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**(iii) Has the nominating committee deliberated on the succession plans for board directors, in particular the chairman, the CEO and key management personnel as recommended by the Code of Corporate Governance?**

A copy of the questions for the Annual Report for the financial year 31 December 2016 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=G.%20K.%20Goh%20Holdings%20Ltd&cid=4279>

The company's response could be found here: -----