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Issuer: G. K. Goh Holdings Limited

Stock code: G41

Meeting details:

Date: 26 April 2021

Time: 11.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. As noted in the chairman’s statement, the group reported a net profit after tax amounting to \$1.5 million in 2020. Total comprehensive income attributable to owners of the company improved to \$13.9 million in 2020, reversing a loss of \$(3.4) million in 2019.

As shown in the table below (page 3), Opal Aged Care remains the group’s largest investment. Operating assets, which also include Boardroom, Allium Healthcare, Habitat Assets, account for 60% of the group’s total assets.

Group Investments as at 31 December 2020	Carrying Value (S\$'million)	% of Total Assets
Opal Aged Care Group	154.1	27%
Boardroom Limited	122.9	21%
Allium Healthcare Group	46.9	8%
Habitat Assets Pte Ltd	23.5	4%
Operating Assets (A)	347.4	60%
Eastern & Oriental Berhad	11.0	2%
Public Equities & Funds	47.9	8%
Listed Investments (B)	58.9	10%
euNetworks	11.0	2%
Venture Capital & Funds	53.6	9%
Private Equities & Funds	110.3	19%
Non-listed Investments (C)	174.9	30%
Investment Assets (B+C)	233.8	40%
Total Assets (A+B+C)	581.2	100%
Net Debt	(159.3)	27%
Net Assets	421.9	73%

(Source: company annual report)

In particular, the report of the Royal Commission into Aged Care Quality and Safety was released at the end of February 2021, highlighting the industry’s shortcomings that need to be addressed. The 148 recommendations call for a new rights-based Act, needs-based funding, greater transparency, stronger regulation and additional focus for dementia care.

The full and summary reports of the Royal Commission can be found at:
<https://agedcare.royalcommission.gov.au/publications/final-report>

- (i) **What is the board’s assessment on the impact of the report and recommendations by the Royal Commission on Opal?**
- (ii) **What are the opportunities, if any, as a result of the recommendations?**

In 2013, when the group acquired Opal (then known as Domain Principal Group), it had 56 facilities and over 4,800 beds. Opal has expanded to 80 homes with over 7,800 beds.

- (iii) **How would the board be finetuning the long-term growth plans of Opal? Are the long-term prospects still attractive enough to allow Opal to continue investing into providing quality aged-care?**
- (iv) **Separately, for Allium Healthcare in Singapore, does the closure of the two day-care centres impair Allium's outreach into the community (and hence its marketing)? What is the current occupancy rate at Allium Care Suites? What is the strategy to improve the occupancy rate given that potential residents might be concerned with the spread of the virus in a nursing home facility, a ban on visitors, personal freedom and to be subjected to constant testing for COVID?**
- (v) In addition, the group's holding in Eastern & Oriental Berhad has fallen to \$11.0 million as at 31 December 2020. It was as high as \$59.8 million (FY2014). The property developer has received a conditional mandatory general offer at 60 sen a share. **Can management provide shareholders with greater clarity on the investment merits of E&O? What is the level of influence or the ability to value-add, if any, given the minority stake? Has the board evaluated the offer?**

Q2. The group made a timely move in 2019 to increase its ownership in Boardroom to 92% and subsequently delisted it from the SGX. Boardroom's revenues grew by 6% to \$112.5 million despite the challenges brought on by the pandemic. Profit after tax rose by 65% to \$14.5 million as the main pillars of the business showed steady or better earnings.

In January 2021, the company appointed Credit Suisse (Singapore) Limited to advise on the strategic options for the group's investment in Boardroom following unsolicited enquiries from third parties. Management has reminded shareholders that the review process is ongoing and there is no certainty that any transaction will result.

- (i) **Can management disclose the number of serious enquiries it received? How did management assess that the enquiries were "serious"?**
- (ii) **What is the progress made in the negotiations with the third parties?**
- (iii) **Should a sale proceed, how long would the process take?**

Q3. In the corporate governance report, it is stated that the board, with the assistance of the audit committee (AC), continually reviews the group’s internal control processes and risk management practices for their adequacy and effectiveness. The company’s internal audit function has been outsourced to PricewaterhouseCoopers Risk Services Pte Ltd.

The AC has reviewed and is satisfied with the adequacy and effectiveness of the internal audit in FY2020 (page 29).

- (i) **Can the AC clarify if the internal audit plan covered all 4 main operating assets, including the foreign operations?**
- (ii) **Can the AC let shareholders know what are some of the key risks identified?**
- (iii) **What are the key findings from the internal auditors in FY2020?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can’t attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)