

G. K. GOH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 199000184D

ANNOUNCEMENT

THE PROPOSED ACQUISITION OF INTERESTS IN THE DOMAIN PRINCIPAL GROUP RESIDENTIAL AGED CARE BUSINESS IN AUSTRALIA

G. K. Goh Holdings Limited (the "**Company**" or "**G. K. Goh**") refers to its proposed acquisition of the shares and units in various entities constituting the Domain Principal Group residential aged care business in Australia by its indirect wholly-owned subsidiary, Allium Holdings Pty Ltd (the "**Proposed Transaction**").

*All capitalised terms used and not defined herein shall have the same meanings given to them in the circular to shareholders dated 10 September 2013 (the "**Circular**") issued by the Company in connection with the Proposed Transaction.*

The Company wishes to announce that it has today received notice that an originating summons (the "**Originating Summons**") has been filed on behalf of Tan Soo Sam and Tan Hwee Hoong (together, the "**Plaintiffs**") in the High Court of the Republic of Singapore (the "**Court**"), naming, the Company, GKG Investment Holdings Pte Ltd ("**GKGIH**"), Fushia Investments Pte Ltd ("**Fushia**"), Mr Goh Geok Khim ("**G. K. Goh**") and Mr Lim Teck Leong David ("**David Lim**"), as defendants. G. K. Goh is the Executive Chairman of the Company and David Lim is an independent director of the Company.

A copy of the Originating Summons and a copy of the affidavit filed by the Plaintiffs in support of Originating Summons (the "**Affidavit**") were provided to the Company's solicitors today.

According to the Originating Summons, the Plaintiffs are seeking a declaration that the completion by the Company of the Proposed Transaction would be a breach of an agreement dated 1 January 2006 (the "**OVA Agreement**") entered into between the Plaintiffs and Fushia in relation to Orange Valley Healthcare Pte. Ltd. ("**OVA**").

In addition, the Plaintiffs are also seeking a declaration that in the event that the Company completes the Proposed Transaction, the Company, GKGIH, G. K. Goh and/or David Lim would be liable for the tort of procuring and/or inducing breach of contract in respect of the aforesaid breach of the OVA Agreement.

The Company understands, based on the Affidavit, that:

- (1) the Plaintiffs are the founding shareholders and directors of OVA. The other directors of OVA include G. K. Goh and David Lim;
- (2) Fushia is a wholly-owned subsidiary of GKGIH, the Company's majority shareholder. Fushia is a shareholder of OVA and is a party to the OVA Agreement. G. K. Goh is a director of Fushia;
- (3) the terms of the OVA Agreement include, *inter alia*, a restriction on the parties to the OVA Agreement to, for so long as such parties are shareholders of OVA and for a period of one (1) year after they cease to be shareholders of OVA, not carry on, be engaged or interested, directly or indirectly in Singapore or elsewhere, whether as principal, shareholder, partner, agent or employee, consultant, adviser director or otherwise in any Competitive Business (as defined in the OVA Agreement) (the "**OVA Non-Compete Restriction**") and that such parties shall procure their respective Affiliated Parties (as defined in the OVA Agreement) to observe the such restriction; and

- (4) based on the above, the Plaintiffs are alleging, *inter alia*, that the completion of the Proposed Transaction would be a breach of the OVA Non-Compete Restriction and that the Company by completing the Proposed Transaction, GKGIH by publicly committing to vote in favour of the Proposed Transaction, and G. K. Goh and David Lim, who are directors of OVA and the Company, by recommending that shareholders vote in favour of resolution to approve the Proposed Transaction, will procure Fushia to breach the OVA Non-Compete Restriction.

The Company has obtained legal advice in respect of the allegations made by the Plaintiffs against it and is of the view that the claims made by the Plaintiffs against it in the Originating Summons are without merit and the Company will vigorously defend itself against any such claims.

The Company also wishes to emphasise that it is **not** a party to the OVA Agreement and has no interest, whether direct or indirect, in OVA. The claims made by the Plaintiffs relate to a dispute between some of the shareholders of OVA. This dispute does not involve the Company and does not have any connection whatsoever with the Proposed Transaction.

All the Directors of the Company (including the independent Directors) wish to confirm that, as set out in paragraph 12 of the Circular, they remain of the opinion that the Proposed Transaction is in the interests of the Company and Shareholders, and they continue to recommend that Shareholders vote in favour of the Ordinary Resolution at the EGM to be held on Wednesday, 25 September 2013.

The Company will proceed with the EGM scheduled to be held on Wednesday, 25 September 2013, to seek the approval of Shareholders for the Ordinary Resolution set out in the Notice of EGM dated 10 September 2013.

GKGIH has informed the Company in writing today that:

- (a) GKGIH intends to vigorously defend the legal proceedings relating to the Originating Summons (the "**Proceedings**") and has been advised that the Plaintiffs' claims are without merits;
- (b) GKGIH intends to fulfil its obligations under the voting undertaking given to the Company on 16 August 2013 in connection with the Proposed Transaction and, as disclosed in the Circular, will vote all its 181,611,460 Shares, representing approximately 57.46 per cent. of the Shares in issue, in favour of the Ordinary Resolution at the EGM; and
- (c) notwithstanding GKGIH's views set out in (a) above, as the issues arose from the OVA Agreement, it will indemnify and keep the Company fully indemnified from losses, damages and/or costs (if any) that the Court may award in respect of the Proceedings, as well as all legal costs incurred by the Company in the Proceedings.

The Company has formed a committee of independent Directors, to be led by Mr Lee Soo Hoon, to oversee the conduct of the Proceedings.

The Company will make further announcement(s) as appropriate in the event of any material developments.

By Order of the Board

Tan Cher Liang
Tan San-Ju
Company Secretaries
Singapore, 24 September 2013