

G. K. GOH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 199000184D

ANNOUNCEMENT

WAIVER OF LISTING RULE 1014(5) IN CONNECTION WITH THE PROPOSED DISPOSAL OF SHARES IN THE CAPITAL OF BOARDROOM LIMITED

G. K. Goh Holdings Limited (the “**Company**” or “**GKGH**”) refers to:

- (i) the announcement dated 6 August 2021 (the “**Pre-Conditional Offer Announcement**”) made by United Overseas Bank Limited, for and on behalf of Apricus Global Pte. Ltd. (the “**Offeror**”), in relation to the pre-conditional voluntary general offer (the “**Offer**”) to acquire all the issued and paid-up ordinary shares in the capital of Boardroom Limited (“**Boardroom**”, and the shares, the “**Boardroom Shares**”);
- (ii) the announcement dated 6 August 2021 (the “**Proposed Disposal Announcement**”) made by the Company in relation to the irrevocable undertaking (the “**Undertaking**”) given by the Company to the Offeror to accept the Offer, if and when made, in respect of all the Boardroom Shares held by Salacca Pte. Ltd. (“**Salacca**”), a wholly-owned subsidiary of the Company; and
- (iii) the circular to shareholders of the Company dated 23 December 2021 (the “**Circular**”) in relation to the proposed disposal of shares in the capital of Boardroom Limited.

All capitalised terms used herein and not otherwise defined shall bear the same meanings as ascribed to them in the Pre-Conditional Offer Announcement, the Proposed Disposal Announcement and the Circular, as the case may be.

The Proposed Disposal is classified as a major transaction for the Company under Chapter 10 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) and as the Proposed Disposal is a disposal of assets where two of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceed 75%, the Company is required pursuant to Rule 1014(5) of the Listing Manual to appoint a competent and independent valuer to value the assets to be disposed (the “**Rule 1014(5) Requirement**”).

The Company has sought confirmation from the SGX-ST that the Rule 1014(5) Requirement is either (i) not applicable to the Proposed Disposal or (ii) if it is applicable, waived in connection with the Proposed Disposal on the following grounds:

- (a) **SGX response to Comments on Enhancements to Continuous Disclosures dated 9 January 2020.** The Company noted that in response to the SGX-ST’s consultation paper “Enhancements to Continuous Disclosures” dated 9 January 2020, respondents who disagreed with the requirement to appoint a valuer to value the assets to be disposed commented that it is not feasible to commission a valuation where the disposal of the assets is conducted through a bid process. In turn, the SGX-ST stated that “*We will proceed with the relevant amendments to the Listing Rules. In relation to situations where the disposal of the assets was conducted through a bid process, the issuer may consult the SGX on the applicability of Rule 1014(5) of the Listing Rules.*”.

- (b) **Strategic Review and Competitive Bid Process.** The Proposed Disposal is the result of a comprehensive strategic review to evaluate the Company's options in relation to its shareholding in Boardroom, with a view to maximising value for GKGH Shareholders, as announced by the Company in January 2021. Credit Suisse (Singapore) Limited was appointed by the Company as its financial adviser in respect of the strategic review process and the Proposed Disposal, while Allen & Gledhill LLP was appointed as legal adviser to the Company.

Pursuant to the strategic review, following unsolicited enquiries from third parties looking to invest in the corporate services sector, the Company decided to initiate an international competitive bid process whereby: (i) confidential discussions were held with potential third party bidders (such as global strategic corporations (including those in the corporate services sector) and private equity firms) in relation to the possible divestment by GKGH of its shareholding in Boardroom; (ii) the potential third party bidders were invited to conduct due diligence on Boardroom subject to entry into strict confidentiality agreements; and thereafter (iii) submit bid proposals to GKGH on a confidential basis.

Ultimately, the proposal made by the Offeror and the proposed terms of the Offer (if and when made following the satisfaction of the Pre-Conditions) at the conclusion of the process was the most compelling to the Company, thus the Company accepted the Offeror's proposal. The Undertaking was then negotiated and entered into between the Company and the Offeror.

- (c) **Independent Financial Adviser to Boardroom.** The Proposed Disposal is pursuant to an offer which will be made by the Offeror in accordance with the Code, subject to fulfilment of the Pre-Conditions. As such and in accordance with the Code, an independent financial adviser, SAC Capital Private Limited ("**IFA**"), was appointed on 2 September 2021 by Boardroom to provide an assessment on the financial terms of the Offer. Boardroom's shareholders (including GKGH) will have the benefit of such assessment and therefore, should not be required to commission yet another, second independent valuation report.

The full text of the IFA opinion and the recommendation of the Boardroom directors to the Boardroom shareholders ("**Offeree Board Circular**") will be published within 14 days from the date of the despatch of the Offer Document by the Offeror, in accordance with the prescribed timetable under the Code. The IFA opinion will therefore be made available after the Pre-Conditions have been satisfied, the Offer is made and the Offer Document has been despatched by the Offeror to Boardroom shareholders (such despatch will occur within 14 to 21 days from the date of the announcement of the offer being made / the Pre-Conditions being satisfied in accordance with the prescribed timetable under the Code).

The Company will upload a copy of the Offer Document and the Offeree Board Circular (which will contain the IFA opinion) when it becomes available on the Company's website and on SGXNet.

- (d) **Offer Price is compelling, with financing certainty.** As set out in the Circular, assuming that the Pre-Conditions are satisfied and/or waived (as the case may be) and the Offer is made:-

- (1) In the event that the Offer, if and when made, becomes or is capable of being declared unconditional as to acceptances prior to or at the close of the Offer, based on the Offer Price, the GKGH Group expects to receive gross proceeds of S\$287.1 million. This represents a significant realisation of value to GKGH, especially when compared with

the market capitalisation of GKGH of S\$250 million on 19 January 2021, the last trading day prior to announcement of the strategic review;

- (II) GKGH Group expects to record a gain on completion of the Proposed Disposal of approximately S\$134.8 million. Accordingly, the GKGH Group's pro forma net tangible assets is expected to increase from approximately S\$0.87 to approximately S\$1.71 per share, based on the GKGH Group's audited consolidated balance sheet as at 31 December 2020;
 - (III) The Offer Price of S\$1.48828 per Boardroom Share in cash proposed by the Offeror is at substantial premia of approximately 162.9% to the GKGH Group's average cost per Boardroom Share of approximately S\$0.566 and approximately 69.1% to the offer price of S\$0.88 per Boardroom Share paid by Salacca pursuant to the 2019 Boardroom Offer, following which Boardroom was delisted from the Official List of the SGX-ST on 1 August 2019. The independent financial adviser to Boardroom in connection with the 2019 Boardroom Offer opined in June 2019 that the offer price of S\$0.88 per Boardroom Share was fair and reasonable; and
 - (IV) In addition, United Overseas Bank Limited, being the sole financial advisor of the Offeror, has also provided a confirmation of financial resources in respect of the Offer, and confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer (if and when made).
- (e) **Assessing the terms of the Proposed Disposal is within GKGH's core competence, business and principal activity.** GKGH's core competence, business and principal activity is that of making investments, investment holding and ultimately, the divestments of such investments. As a sophisticated investor and the long-time owner of Boardroom, GKGH is best positioned to assess the terms of the Proposed Disposal, including Boardroom's valuation.

Apart from Boardroom, GKGH also owns other operating businesses as well as a diverse portfolio of investments in different asset classes, including unlisted businesses, venture capital, private equity funds, credit funds, and listed equities. These are set out in the Circular and in the GKGH Group's Annual Report 2020. Excluding Boardroom, these businesses and investments have an aggregate carrying value of approximately S\$458.3 million as at 31 December 2020. Based on the unaudited consolidated financial statements of the GKGH Group for 1H2021, the GKGH Group's total comprehensive income (excluding the net profit attributable to the Relevant Boardroom Shares for 1H2021 of approximately S\$5.5 million) was approximately S\$7.2 million.

On 23 November 2021, the SGX-ST advised that, subject to the satisfaction of certain conditions, it has no objection to the Company's application for a waiver of Rule 1014(5) in relation to carrying out a valuation of the Boardroom Shares to be disposed taking into account the Company's representation that a comprehensive independent international competitive bid process was conducted by the Company in conjunction with the Proposed Disposal and the terms of Offeror's Offer was the most compelling to the Company (the "**Waiver**").

The Waiver is subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;

- (b) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions as required under Rule 107 of the Listing Manual;
- (c) prominent disclosure in the shareholders' circular of the Company that the Offeror's proposal was a conclusion of a comprehensive international competitive bid process conducted by the Company with its financial adviser as well as the detailed description of the bid process including but not limited to:- (i) disclosing sufficient details of the number of participants in the bid process; (ii) profiles and background of the bidders; (iii) period which the process took place; (iv) how the bid process was conducted and who was responsible for deciding on the outcome of the Offer; (v) elaboration on the basis why the board of directors of the Company (the "**Board**") is of the view that the Offeror's proposal was the most compelling and factors taken into consideration by the Board in its conclusion; and (vi) basis for the Board's view that the Consideration reflects market value and how the bidding process has provided sufficient assurance to the Board that the consideration is based on market prices; and
- (d) written confirmation by the Board that the offer arising from the bid process is on terms which are fair and reasonable and is of the view that not conducting a valuation for the disposal is not prejudicial to the interest of the Company and its shareholders.

In connection with the Waiver, the Company has set out in the Circular, a copy of which may be accessed at the Company's website at <http://www.gkgoh.com/investor.aspx>, and on the SGX website at www.sgx.com, further details on the international competitive bid process conducted by the Company as part of its strategic review of its options for its interest in Boardroom and the written confirmation by the Board that the terms of the Offer are fair and reasonable as set out in paragraph (d) above.

By Order of the Board

Ngiam May Ling
Company Secretary
23 December 2021, Singapore

The Directors of the Company (including any who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement which relate to the Company and/or Boardroom are fair and accurate and that, where appropriate, no material facts which relate to the Company and/or Boardroom have been omitted from this Announcement, and the Directors of the Company jointly and severally accept responsibility accordingly. Where any information which relates to the Company and/or Boardroom has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.