

# G. K. GOH HOLDINGS LIMITED

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

## ACQUISITION OF 10.35 PER CENT. EQUITY STAKE IN BOARDROOM LIMITED AND MANDATORY CASH OFFER FOR BOARDROOM LIMITED

### 1. INTRODUCTION

1.1 **The Transaction.** The board of directors (the “**Board**”) of G. K. Goh Holdings Limited (the “**Company**”) refers to:

- (i) the announcement released by the Company on 22 January 2014 in respect of the following matters (the “**Initial Announcement**”):
  - (a) on 22 January 2014, Salacca Pte. Ltd. (the “**Offeror**”), which is a wholly-owned subsidiary of the Company, had effected a direct business trade with Third Avenue Management LLC (the “**Seller**”), which serves as an adviser to Third Avenue International Value Fund, to acquire in aggregate 19,396,784 shares in the capital of Boardroom (the “**Acquisition Shares**”), representing approximately 10.35 per cent.<sup>1</sup> of the issued and paid-up ordinary shares in the capital of Boardroom (“**Boardroom Shares**”), for a cash consideration of S\$0.575 per Boardroom Share (the “**Acquisition**”); and
  - (b) as a consequence of the Acquisition, the aggregate interest of the Offeror and the other Relevant Persons<sup>2</sup> had increased from 63,128,030 Boardroom Shares, representing approximately 33.68 per cent. of the Boardroom Shares, to 82,524,814 Boardroom Shares, representing approximately 44.03 per cent. of the Boardroom Shares. Following the Acquisition, CIMB Bank Berhad, Singapore Branch (“**CIMB Singapore**”), as the financial adviser to the Offeror, had on 22 January 2014 released, for and on behalf of the Offeror, an announcement (the “**Offer Announcement**”) stating the Offeror’s intention to make a mandatory conditional cash offer for all the Boardroom Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the “**Offer**”, and together with the Acquisition, the “**Transaction**”);
- (ii) the announcement released by the Company on 4 March 2014 in respect of the Offer being declared unconditional as to acceptances; and

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<sup>1</sup> For the purposes of computing any percentage shareholdings referred to in this Announcement in respect of the Boardroom Shares, the total number of Boardroom Shares is 187,426,484 (excluding treasury shares) based on the 1H2014 Results (as defined below) and is rounded to the nearest two decimal places.

<sup>2</sup> “**Relevant Persons**” refers to the following persons and entities collectively: (i) the Offeror and its directors; (ii) the Company and its Directors (as defined below); (iii) other subsidiaries of the Company and (iv) CIMB Singapore (as defined below). As a consequence of the Acquisition, the Offeror’s interest had increased from 63,109,030 Boardroom Shares, representing approximately 33.67 per cent. of the Boardroom Shares to 82,505,814 Boardroom Shares, representing approximately 44.02 per cent. of the Boardroom Shares.

(iii) the announcement released by the Company on 24 March 2014 in respect of the extension of the closing date of the Offer,

(collectively, the “**Previous Announcements**”).

Unless otherwise defined, capitalised terms in this Announcement shall bear the same meanings as set out in the Previous Announcements. Shareholders should refer to the Initial Announcement for further details on the Transaction, including the terms of the Offer and the rationale for the Transaction. Shareholders should also read the contents of this Announcement in conjunction with, and in the context of, the Previous Announcements.

**1.2 Ratification Required.** As stated in the Initial Announcement, the Company had made an application to the SGX-ST to seek a waiver of Rule 1014(2) of the Listing Manual (the “**Waiver**”) which requires the prior approval of Shareholders in relation to the Transaction. The Company also sought the SGX-ST’s approval for the Company to seek the approval of Shareholders by way of ratification after the making of the Offer and only in the event that the Offer becomes unconditional and the acquisition of the Boardroom Shares pursuant to the Transaction results in the relative figures under Rule 1006 of the Listing Manual exceeding 20 per cent. The SGX-ST granted the Waiver subject to certain conditions as more particularly described in the Initial Announcement.

On 3 March 2014, CIMB Singapore announced, for and on behalf of the Offeror, that the Offer had become and was declared to be unconditional in all respects. In view of the foregoing, and the relative figure under Rule 1006(b) of the Listing Manual exceeding 20 per cent. pursuant to the number of valid acceptances received by the Offeror as at the Final Closing Date, the Transaction constitutes a major transaction as defined in Chapter 10 of the Listing Manual (details of which are set out in Paragraph 7 of this Announcement). Accordingly, pursuant to the Waiver, the Company is required to seek the approval of Shareholders for the Transaction by way of ratification.

## **2. CLOSE OF THE OFFER**

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) that earlier today, CIMB Singapore had released, for and on behalf of the Offeror, an announcement (the “**Offeror Announcement**”) stating that the Offer has closed as of 5.30 p.m. (Singapore time) on 7 April 2014 (the “**Final Closing Date**”).

### 3. FINAL LEVEL OF ACCEPTANCES OF THE OFFER

As stated in the Offeror Announcement, as at 5.30 p.m. (Singapore time) on the Final Closing Date, the total number of Boardroom Shares (i) held before the offer period, (ii) acquired or agreed to be acquired during the offer period and (iii) for which valid acceptances of the Offer have been received, are as follows:

	Number of Boardroom Shares	Percentage of the issued Boardroom Shares (%)
Boardroom Shares held by the Offeror and parties acting in concert with it prior to the offer period, being the period commencing from the release of the Offer Announcement on 22 January 2014	82,674,814	44.11
Boardroom Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it (other than pursuant to valid acceptances of the Offer) after the release of the Offer Announcement on 22 January 2014 up to 5.30 p.m. (Singapore time) on the Final Closing Date	-	-
Valid acceptances of the Offer received by the Offeror as at 5.30 p.m. (Singapore time) on the Final Closing Date	69,836,787	37.26
<b>Total</b>	<b>152,511,601</b>	<b>81.37<sup>3</sup></b>

### 4. CONSIDERATION FOR THE TRANSACTION

#### 4.1 **Aggregate Consideration.** Based on a cash consideration of S\$0.575 per Acquisition Share, the consideration for the Acquisition is approximately S\$11.1 million (the “**Acquisition Consideration**”).

As at the Final Closing Date, the Offeror had received valid acceptances in respect of 69,836,787 Boardroom Shares (the “**Acceptance Shares**”). Based on a cash consideration of S\$0.565 per Acceptance Share (after adjustment for the interim tax-exempt dividend in cash of 1.00 cent per Boardroom Share declared by Boardroom, based on the unaudited consolidated financial statements of Boardroom and its subsidiaries (“**Boardroom Group**”) for the six months ended 31 December 2013, as announced by Boardroom on 6 February 2014 (the “**1H2014 Results**”)), the consideration for the Offer is approximately S\$39.5 million (the “**Offer Consideration**”).

The aggregate consideration for the Transaction (being the aggregate of the Acquisition Consideration and the Offer Consideration) is approximately S\$50.6 million (the “**Aggregate Consideration**”).

<sup>3</sup> Any discrepancies in the figures included in this Announcement between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.

- 4.2 Basis.** The Acquisition Consideration was arrived at on a negotiated, willing-buyer willing-seller basis between the Company and the Seller and after taking into account recent market transactions of the Boardroom Shares.

Under the Singapore Code of Take-overs and Mergers, the Offer Price cannot be lower than the highest price paid by the Offeror and the parties acting in concert with it for the Boardroom Shares within six months of the Offer Announcement Date and during the period of the Offer. The Offer Consideration is accordingly derived from the Acquisition Consideration.

- 4.3 Funding for the Transaction.** The Transaction was funded through a combination of existing liquid assets, cash and bank borrowings.

## **5. FINANCIAL INFORMATION**

- 5.1 Value of Boardroom Shares.** As set out in the Initial Announcement, based on the audited consolidated financial statements of Boardroom Group for the financial year ended 30 June 2013 (“**FY30/6/2013**”), being the latest full year financial statements of Boardroom Group which were available on SGXNET as at the date of Initial Announcement, the net asset value per Boardroom Share was approximately S\$0.347 and the net tangible liability per Boardroom Share was approximately S\$0.058.

Based on the 1H2014 Results, being the latest financial statements of Boardroom Group which are available on SGXNET as at the date of this Announcement, the net asset value per Boardroom Share was approximately S\$0.342 and the net tangible liability per Boardroom Share was approximately S\$0.040.

The last transacted price of the Boardroom Shares on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 21 January 2014 (being the last market day on which the Boardroom Shares were traded prior to the date of the Initial Announcement (the “**Last Traded Day**”)) was S\$0.580 per Boardroom Share.

- 5.2 Net Profits.** As set out in the Initial Announcement, based on the audited consolidated financial statements of Boardroom Group for FY30/6/2013, the earnings per Boardroom Share was approximately S\$0.045, and the net profits attributable to the Acquisition Shares and the Offer Shares (representing in aggregate approximately 66.32 per cent. shareholding interest in Boardroom) would be approximately S\$5.5 million.

Based on the 1H2014 Results, the earnings per Boardroom Share was approximately S\$0.021, and the net profits attributable to the Acquisition Shares and the Acceptance Shares (representing in aggregate approximately 47.61 per cent. shareholding interest in Boardroom) for the six months ended 31 December 2013 would be approximately S\$1.9 million.

## **6. FINANCIAL EFFECTS**

- 6.1 Bases and Assumptions.** The financial effects below have been prepared based on the audited consolidated financial statements of the Company and its subsidiaries (“**G. K. Goh Group**”) for the financial year ended 31 December 2013 (“**FY31/12/2013**”) and the audited consolidated financial statements of Boardroom Group for FY30/6/2013 and are purely for illustrative purposes only and do not reflect a projection of the actual future financial performance or financial position of the enlarged G. K. Goh Group after consummation of the

Transaction. The financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (i) the Transaction is fully funded through bank borrowings;
- (ii) there are no transaction expenses (other than financing costs) in respect of the Transaction; and
- (iii) save for the Transaction, there is no adjustment for the impact of any other transactions or events.

**6.2 Net Tangible Assets.** Assuming the Transaction had been completed on 31 December 2013, being the end of the most recently completed financial year of G. K. Goh Group, the financial effects on the consolidated net tangible assets (“**NTA**”) of G. K. Goh Group as at 31 December 2013 are as follows:

	<b>Before the Transaction</b>	<b>After the Transaction</b>
<b>NTA (S\$’million)</b>	373.8	267.2
<b>No. of issued and paid-up ordinary shares in the capital of the Company (the “Shares”) (million)</b>	316.1	316.1
<b>NTA per Share (Singapore cents)</b>	118.27	84.54

**6.3 Earnings Per Share.** Assuming the Transaction had been completed on 1 January 2013, being the beginning of the most recently completed financial year of G. K. Goh Group, the financial effects on the earnings per share (“**EPS**”) of G. K. Goh Group for FY31/12/2013 are as follows:

	<b>Before the Transaction</b>	<b>After the Transaction</b>
<b>Net profit attributable to ordinary shareholders of the Company (S\$’million)</b>	21.7	26.2
<b>No. of issued Shares (million)</b>	316.1	316.1
<b>EPS (Singapore cents)</b>	6.85	8.30

**6.4 Share Capital.** The Transaction will not have any impact on the issued and paid-up share capital of the Company.

## 7. MAJOR TRANSACTION

The relative figures in relation to the Transaction computed on the bases set out in Rule 1006 of the listing manual of the SGX-ST (the “**Listing Manual**”) are as follows:

Rule 1006	Bases	Transaction <sup>(1)</sup> (%)
(a)	The net asset value of the assets to be disposed of, compared with G. K. Goh Group’s net asset value	Not applicable
(b)	The net profits attributable to the Boardroom Shares acquired, compared with G. K. Goh Group’s net profits <sup>(2)</sup>	23.01
(c)	The Aggregate Consideration compared with the Company’s market capitalisation <sup>(3)</sup>	19.53
(d)	The number of equity securities issued by the Company as consideration for the Transaction, compared with the number of equity securities of the Company previously in issue	Not applicable

### Notes:

<sup>(1)</sup> The Transaction comprises (i) the 19,396,784 Acquisition Shares and (ii) the 69,836,787 Acceptance Shares.

<sup>(2)</sup> Under Rule 1002(3)(b) of the Listing Manual, “net profits” is defined as profit or loss before income tax, minority interest and extraordinary items.

The audited consolidated profit before taxation of Boardroom Group for FY30/6/2013 was approximately S\$10.2 million, and the audited consolidated profit before taxation of G. K. Goh Group for FY31/12/2012 (which was, as at the date of the Initial Announcement, the most recently completed financial year of G. K. Goh Group, the financial statements of which had been released on SGXNET) was approximately S\$21.1 million.

<sup>(3)</sup> The market capitalisation of the Company of approximately S\$259.2 million is determined by multiplying 316,070,805 issued Shares as at the date of the Initial Announcement by the volume-weighted average market price of approximately S\$0.8200 per Share as at the Last Traded Day.

As the relative figure computed on the basis set out in Rule 1006(b) exceeds 20 per cent., the Transaction would constitute a major transaction as defined in Chapter 10 of the Listing Manual and is therefore subject to the approval of Shareholders.

The circular setting out information on the Transaction (the “**Circular**”), together with a notice of the extraordinary general meeting to be convened, will be despatched to Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the Circular.

## 8. RESPONSIBILITY STATEMENT

The directors of the Company (the “**Directors**”) (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and the Directors jointly and

severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to Boardroom), the sole responsibility of the Directors has been to ensure through reasonable enquires that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

By Order of the Board

Thomas Teo Liang Huat  
Company Secretary  
Singapore, 7 April 2014