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Issuer: G. K. Goh Holdings Limited

Stock code: G41

Meeting details:

Date: 24 April 2023

Time: 10.00 a.m.

Venue: Orchard Ballroom 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879

Q1. The company announced on 28 February 2023 that it had received a voluntary conditional cash offer of \$1.26 for all the issued and paid-up ordinary shares of the company. The offer price exceeded the company's highest traded share price in the prior five-year period, and the price-to-net asset value multiple (P/NAV) stands at 0.97 times implied by the offer price. The independent financial adviser (IFA) has opined that the offer was "fair and reasonable".

As at 5 April 2023, the offeror owns or has accepted 87.99% of all shares in the company.

- (i) **For the benefit of shareholders, could the company provide further details on the selection process for the IFA?**
- (ii) **What are the roles of the independent director in this process, including their interactions with the IFA?**
- (iii) **Did the independent directors consider the benefits of revaluing the company's material assets or disclosing the updated mark-to-market value of its quoted portfolio to shareholders?**

The Australian aged-care business is carried on the books at \$90.7 million, representing 22.1% of the group's NAV. The 48%-owned Opal is the leading operator in Australia, with a capacity of over 9,000 beds, spread over 91 homes in four states. Just last week, a private equity firm has made a A\$775 million bid for another leading Australian aged-care provider that operates nearly 6,600 beds in 72 homes.

- (iv) **Considering the materiality of Opal to the group's net asset value, has the board considered conducting a revaluation of Opal to determine the revalued net asset value of the group?** This could help provide shareholders with a more informed decision-making process.

Q2. As mentioned in the chairman’s statement, the group has used the proceeds from the sale of Boardroom to repay some of its loans and increase its net cash position. As a result, the net cash position stood at 29% as at 31 December 2022.

Balance Sheet

Group Investments As at 31 December 2022	Carrying Value (S\$'million)	% of Total Assets
Opal HealthCare Group	90.7	22%
Allium Healthcare Group	40.1	10%
Habitat Assets Pte Ltd	22.6	6%
Operating Assets (A)	153.4	38%
Public Equities & Funds	52.8	13%
Listed Investments (B)	52.8	13%
Venture Capital & Funds	95.9	23%
Private Equities & Funds	78.5	19%
Non-listed Investments (C)	174.4	42%
Investment Assets (B+C)	227.2	55%
Total Assets (A+B+C)	380.6	93%
Net Cash	29.0	7%
Net Assets	409.6	100%

(Source: company annual report)

Management has also noted the “increasing uncertainty in [the] financial markets”.

- (i) **For shareholders’ benefit, could management provide an update on its global economic outlook, including its views on interest rates, foreign exchange, inflation, and the risk of recession?**
- (ii) **Has the board provided any specific guidance to management regarding the group's gearing? Does management intend to maintain the group's net cash position given current market conditions?**
- (iii) **What indicators or signals does management track in order to identify favorable opportunities for reallocating capital in the market?**

Q3. The group has significant exposure to Japan, with investments in public markets, residential housing, tourism assets and Japanese venture capital funds. At the portfolio basis, the group has major investments in venture capital and private equity, with emphasis on healthcare, infrastructure and scientific innovation.

- (i) **What are the key factors that make Japan its most significant investment country target for the group?**
- (ii) **How does management perceive Japan's aging demographic profile?**
- (iii) **What are management's current views on China's growth trajectory and how is the group taking advantage of it? Are there any particular sectors or industries that management is focusing on for investment opportunities in China?**
- (iv) **With regard to the private equity and venture capital segment, what is management's outlook on the impact of recent events such as the massive layoffs by technology companies and the growing importance of artificial intelligence? How is the group adapting to these changes and identifying opportunities in this dynamic environment?**

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

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