

## **ENTRY INTO JOINT VENTURE AGREEMENT**

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### **1. INTRODUCTION**

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” and each a “**Group Company**”) wishes to announce that the Company’s indirect wholly owned subsidiaries, Hao Kou Wei Pte. Ltd. (“**HKW**”), has on 1 November 2021 entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Focaccia Foods Pte. Ltd. (the “**JV Partner**”, collectively with HKW, the “**Parties**”) in respect of their shareholdings in a joint venture company incorporated in Singapore, Sing Global Brands Pte. Ltd. (the “**JV Company**”).

### **2. INFORMATION OF THE JV COMPANY**

- 2.1** The JV Company was incorporated on 8 October 2020, and it has not commenced operations since incorporation. As at the date of this announcement, the net tangible asset value of the JV Company is S\$19,785.
- 2.2** The JV Company is principally engaged in the business of developing, franchising and management of various food & beverage brands, including the central procurement of contractors, equipment, payment systems, supplies, services, utensils and other related products and services including primarily the operations of stalls and outlets at coffeeshops or food courts providing dine-in and delivery services with central kitchen support or such other business as the parties may agree upon from time to time (the “**Business**”). The Business will be primarily carried out in Singapore, notwithstanding that the food & beverage brands developed may be sold and / or franchised locally and / or other overseas markets, with support to be provided by the JV Company to such franchisees situated locally and / or other overseas markets.
- 2.3** Each party shall hold 50% of the enlarged issued and paid-up share capital of the JV Company. Please refer to paragraph 4.2 below for the details of each party’s shareholding in the JV Company.

### **3. INFORMATION OF THE JV PARTNER**

*The information on the JV Partner was provided by the JV Partner. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of such information, and the Company’s responsibility is limited to the proper extraction and reproduction of such information herein, in the context that the information is being disclosed in this announcement.*

- 3.1** The JV Partner is a dynamic F&B company incorporated in Singapore started from 2003. It is mainly involved in food manufacturing and distribution as well as outlet operations including canteen operations in a renowned overseas international school.
- 3.2** The JV Partner started with pizza products and has now expanded its product offerings to Indian curry puffs and various Asian cuisines. The JV Partner manufactures and distributes frozen food products to food businesses, local grocery retailers and major supermarkets.

- 3.3** As at the date of this announcement, the JV Partner does not hold any shares in the capital of the Company directly or indirectly. The JV Partner is not related to any directors or substantial shareholders of the Company.

#### **4. SALIENT TERMS OF THE JOINT VENTURE AGREEMENT**

##### **4.1 Acquisition of Shares by the JV Partner**

Pursuant to the Joint Venture Agreement, the JV Partner shall acquire 50% of the JV Company's existing issued and paid-up share capital, being and comprising 10,000 shares at a consideration of S\$10,000 such that upon completion of the transfer of existing ordinary shares, the shareholding proportion of the JV Company shall be as follows:-

|                   | <b>No. of Shares</b> | <b>Percentage of entire issued share capital</b> |
|-------------------|----------------------|--------------------------------------------------|
| <b>HKW</b>        | 10,000               | 50%                                              |
| <b>JV Partner</b> | 10,000               | 50%                                              |
| <b>Total</b>      | <b>20,000</b>        | <b>100%</b>                                      |

The consideration is determined based on the initial cost of subscribing for the ordinary shares by HKW in the JV Company when it was incorporated, which is S\$1 per ordinary share issued.

##### **4.2 Subscription of Shares by HKW and the JV Partner**

After the acquisition of existing shares by the JV Partner and the subscription for 40,000 subscription shares at S\$40,000 by each of the Parties, the issued and paid-up share capital of the JV Company shall increase from S\$20,000 comprising 20,000 ordinary shares to S\$100,000 comprising 100,000 ordinary shares such that upon completion of the subscription of newly issued ordinary shares, the shareholding proportion of the JV Company shall be as follows:-

|                   | <b>No. of Shares</b> | <b>Percentage of entire issued share capital</b> |
|-------------------|----------------------|--------------------------------------------------|
| <b>HKW</b>        | 50,000               | 50%                                              |
| <b>JV Partner</b> | 50,000               | 50%                                              |
| <b>Total</b>      | <b>100,000</b>       | <b>100%</b>                                      |

##### **4.3 Shareholders of the JV Company**

The Parties agree that the chairman of the shareholders' meetings shall be at all times, be appointed by, HKW who shall be entitled to have and/or exercise a casting vote in respect of matters and/or resolutions which cannot be approved and/or passed pursuant to a simple majority of votes by poll.

##### **4.4 Board of Directors of the JV Company**

Pursuant to the Joint Venture Agreement, the board of directors of the JV Company shall comprise up to four directors, whereby two of them shall be nominated by HKW and another two of them shall be nominated by the JV Partner. One of the directors to be nominated by the JV Partner will be appointed with six (6) months from completion date of joint venture agreement.

A Managing Director will be appointed by the JV partner to oversee and manage the JV Company's operations, under the leadership of the Board.

Notwithstanding anything to the contrary contained within the JV Company's constitution (the "**Constitution**"), the Parties hereby agree that the chairman of the meetings of the Board shall be at all times, appointed by HKW who shall be entitled to have and/or exercise a casting vote in respect of matters and/or resolutions which cannot be approved and/or passed pursuant to a simple majority of votes.

## 5. CONSIDERATION FOR THE SUBSCRIPTION SHARES

The consideration payable by HKW for the additional subscription (the "**Subscription**") of 40,000 shares in the JV Company (the "**Subscription Shares**") is S\$40,000, to be satisfied fully in cash, and will be funded by internal sources of funds. The consideration was arrived at after taking into account the nominal value per share in the capital of the JV Company.

The Subscription is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the current financial year ending 31 December 2021.

## 6. RATIONALE FOR AND BENEFITS OF THE JOINT VENTURE

- 6.1 HKW's entry into the Joint Venture Agreement is in line with the Group's plans to expand its businesses in the food and beverage ("**F&B**") industry, which was approved by the Company's shareholders (the "**Shareholders**") at the extraordinary general meeting of the Company held on 26 February 2019. As set out in the Company's circular to Shareholders dated 11 February 2019, the Group may, as part of its F&B business, invest in or purchase or otherwise acquire or dispose of any assets, investments and shares or interests in any entity that is in the F&B business. Any such business activities shall constitute part of the ordinary course of business of the Group. As the Joint Venture Agreement entails the investment in a company to carry out a F&B related business, the transaction will not change the risk profile of the Group.
- 6.2 The Board believes that HKW's entry into the Joint Venture Agreement is also beneficial to the Group as it will facilitate the Group's expansion of its F&B business, development of new F&B brands for regional franchising at a relatively small investment amount, taking into account the amount of consideration for the Subscription Shares. In addition, by leveraging on the strong network, experience and expertise of the JV Partner and the Group in respect of F&B business and in particular, franchising, HKW's entry into the Joint Venture Agreement provides a strategic platform for the Group to execute its expansion plans in respect of F&B brands development.
- 6.3 In addition, the Company hopes that the joint venture with the JV Partner (the "**Joint Venture**") can create strong Singapore brands in Singapore, which can represent Singapore's F&B industry locally and in overseas, by way of franchising such brands in Singapore and / or other overseas markets. The Company also intends for the Joint Venture to provide a platform to engage and develop local entrepreneurial in the F&B industry in Singapore, with a view for such talents to expand their expertise in domestic and overseas markets, together with the Group. In this regard, the Company believes that the Joint Venture may provide new jobs or engagement opportunities within the community in the development of new F&B brands, and at the same time, provide new business opportunities to local entrepreneurs in the form of franchises of the new brands developed by the JV Company.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests in the Company and save as disclosed in this announcement, none of the directors of the Company (the "**Directors**") or substantial Shareholders or their associates, as far as the Company is aware, has any interest, direct or indirect, in the Joint Venture.

## 8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Joint Venture Agreement will be available for inspection during normal business hours at the Company's registered office at 680 Upper Thomson Road #02-01 Singapore 787103 for a period of 3 months from the date of this announcement.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Joint Venture, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 10. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Joint Venture, as appropriate or when there are material developments on the same.

### By Order of the Board

Pang Pok  
Chief Executive Officer and Executive Director

1 November 2021

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*This announcement has been prepared by GS Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*