GS HOLDINGS LIMITED






ANNUAL REPORT 2018

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This annual report 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 Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE PROFILE

GS Holdings Limited is Singapore's leading centralised commercial dishware washing company that specialises in providing end-to-end cleaning services for Singapore's food and beverage ("F&B") industry.

We provide comprehensive and environmentally-friendly cleaning solutions that meet the manpower and cleaning needs of our customers. We are the leading dishware washing specialist in Singapore with ISO 22000: 2005 certification, Halal certifications, and Bizsafe Star. Our management team is backed by over 20 years of experience in the food and cleaning industries.

Supported by three strategically-located centralised dishware washing facilities, we serve a diversified range of customers ranging from F&B tenants located in shopping malls, food courts, coffee shops, restaurants, hawker centres, as well as a public tertiary hospital.

OUR BUSINESS

OUR VALUE PROPOSITION

A. END-TO-END CLEANING SOLUTIONS

GS Holdings provides turnkey centralised dishwashing and cleaning solutions. This encourages customers to outsource their cleaning needs entirely, allowing them to reduce reliance on manpower and focus on their core business goals, at the same time increasing revenue generating space. Through our services, customers also benefit from cost savings on utility bills, detergent and machines.

01 **ON-SITE CLEANING AND STEWARDING SERVICES**

02 **CENTRALISED DISHWARE WASHING**

03 **SALE OF DISHWARE WASHING RELATED EQUIPMENT AND CONSUMABLES**

04 **CLEANING AND DISHWARE WASHING CONSULTANCY SERVICES**

B. QUALITY-ASSURANCE

The Group is thoroughly committed to ensuring that our cleaning services comply with the highest quality standards. In line with this commitment, we have incorporated a scientific and systematic approach to ensure quality control of the highest level across all business processes.

Processes Compliant With ISO Standards

Systematic and process driven approach to increase dishwashing cleanliness standards

Trained Quality Controllers and Packers

Maintain quality service standards with consistent training provided for employees

Periodic Microbiological Tests

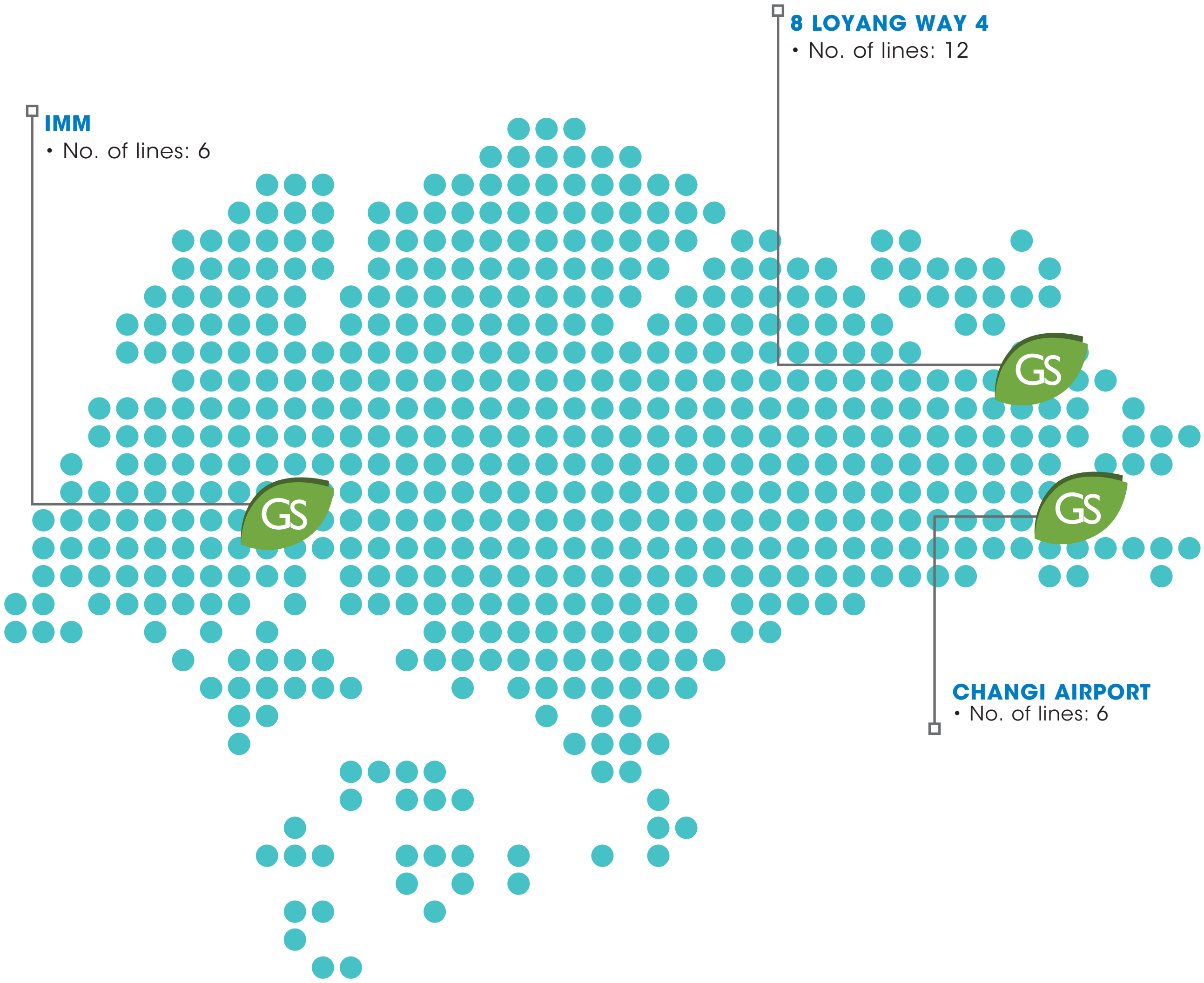
Dishware sent for periodic external microbiological tests to maintain hygiene standards

C. ISLAND-WIDE COVERAGE AND STRONG BUSINESS NETWORK

As at 31 December 2018, the Group had 3 centralised dishware washing facilities – 8 Loyang Way 4, IMM, and Changi Airport. These facilities are strategically-located to effectively cover the geographical expanse of our customers' locations.

The Loyang facility, which is housed in the Group's only leasehold property situated at 8 Loyang Way 4 Singapore 507604, commenced operations in March 2016 and is the Group's largest facility, spanning an area of 4,500 sqm and equipped with production lines with improved automation for large-scale dishware washing. The Group's corporate offices are also located at this facility. The Group intends to dispose the property at 8 Loyang Way 4 and has started to actively seek for buyer for the property during the financial year in order to provide additional working capital for the Group and to reduce the Group's borrowings. After the disposal of the property, the Group may rent additional facilities to meet production needs as and when required.

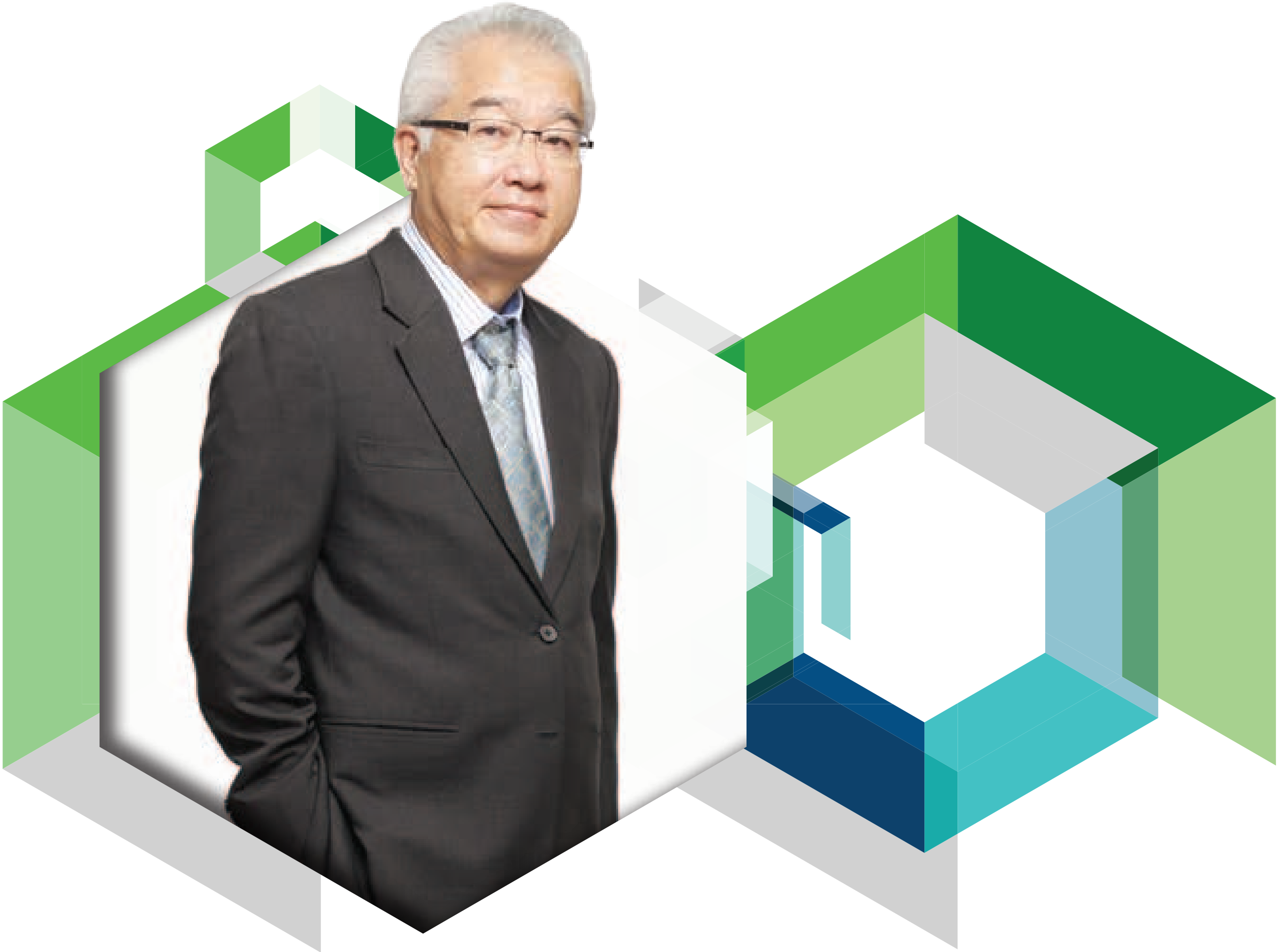
Changi Airport facility commenced operations in October 2017 at Terminal 3 with an area of 890 sqm equipped with 6 dishwashing lines.



LEGEND

GS Centralised dishware washing facilities

CHAIRMAN'S MESSAGE



DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present to you GS Holdings Limited's Annual Report for the financial year ended 31 December 2018.

FINANCIAL PERFORMANCE

The Group reported a revenue of S$8.4 million in the financial year ended 31 December 2018 ("**FY2018**") as compared to S$9.9 million in the financial year ended 31 December 2017 ("**FY2017**"), a decrease of 15% or S$1.5 million. The decrease was mainly due to certain coffee shops did not renew contracts after their initial contracts expired as well as other factors as mentioned in the Financial Review section. Despite the decrease in revenue, the Group reported a lower loss after taxation of S$3.5million for FY2018 as compared to a loss after taxation of S$3.9 million for FY2017. The was mainly due to restructuring and streamlining exercises taken by the Group, resulting in more efficiency in the utilization of the Group's manpower and other resources. Therefore, there was a substantial decrease in personnel expenses. However, the substantial decrease in the personnel and some other expenses was partly offset by a higher fair value loss on investment properties of S$0.5 million in FY2018.

Other income increased by approximately S$188,000, mainly due to additional government grants and incentives received by the Group in FY2018.

Loss per share decreased from 2.91 cents in FY2017 to 2.69 cents in FY2018.

Net asset value per ordinary share stood at 0.42 cents as at 31 December 2018 as compared to 2.4 cents in the previous year.

The Group continues to maintain financial prudence and has lowered its borrowings as a result of loan repayments.

OPERATIONS HIGHLIGHTS

During the course of the year, we implemented various restructuring and streamlining measures to improve efficiency in the utilization of the Group's manpower and other resources. These measures were necessary in view of the prevailing tight labour market situation and challenges that we continue to face in recruiting locals, as well as with the intention of reducing our operating expenses. As a result of these measures, there was quite a substantial decrease in personnel and some other expenses.

We also implemented sales rationalization plan in FY2018, which resulted in certain sales contracts with low profit margin not being renewed after expiry and putting more effort in getting sales with high volume or better profit margin.

BUSINESS OUTLOOK

The Group commenced operations at the leased Centralised Dishwashing Facility at Changi Airport in October 2017. With the opening of Terminal 4 and soon-to-be-completed Jewel project, we expect the revenue contribution from our Changi Airport facility to improve in the financial year ending 31 December 2019.

The Group had on 13 February 2019 signed a letter of acceptance to provide centralized dishwashing and table cleaning services to Marine Parade Central hawker centre which has approximately 50 hawker stalls commencing from May 2019. This project will increase the revenue of the Group in the financial year ending 31 December 2019 and may also help us to win more cleaning tenders in the future.

In pursuit of the Group's growth strategy and to improve Shareholders' value, the Group has identified the food and beverage ("**F&B**") business to be a suitable segment to expand into. Furthermore, the Group's further expansion into the F&B Business will support the long-term growth of the Group and reduce the Group's dependence on the existing core business. With that, on 17 December 2018, the Company announced that it intends to undertake the proposed acquisition of Hao Kou Wei Pte. Ltd. ("**HKW**"). HKW is in the principal business of letting and operating and managing food courts, coffee shops and eating houses, and currently it operates 3 food courts/food centres and 1 eating house. In addition, the Company had on 17 January 2019 announced that it had entered into a Joint Venture Agreement with Ms. Zhang Liying ("**Joint Venture**"), pursuant to which the Company shall subscribe for 400 shares representing 80% of the issued and paid-up share capital of Wish Hospitality Holdings Pte Ltd ("**JV Company**"). The JV Company is principally engaged in the procurement and management of F&B business, distribution, wholesale, trading, retail, import and export of food products and equipment, and the provision of other related products and services or such other business as the JV Company may decide from time to time (the "**Business**"). The Business is carried out principally in the People's Republic of China ("**PRC**").

The proposed acquisition of HKW and the entry into the Joint Venture were approved by Shareholders in an Extraordinary General Meeting held recently on 26 February 2019, entailing the expansion of the Group's business into the F&B industry and expansion into other geographical markets, particularly PRC. Shareholders may refer to the Company's Circular dated 11 February 2019 for further details and rationale on the acquisition of HKW and the Company's entry into the Joint Venture. The Board believes that the acquisition of HKW and entry into the Joint Venture will contribute positively to the Group's revenue for the financial year ending 31 December 2019.

DIVIDENDS

In view of the losses incurred during the year, the Board has not recommended any dividend for FY2018.

APPRECIATION

I would like to thank my present and past fellow Board members for their invaluable counsel, helpful contributions, and support to me and the Company. I would also like to take this opportunity to record my appreciation to the management and staff for their dedication and hard work during this challenging time.

Last but not least, I would like to express my gratitude to our valued shareholders and business associates for their confidence and unwavering support.

PANG POK
Executive Chairman and Chief Executive Officer

OPERATIONS & FINANCIAL REVIEW

FINANCIAL PERFORMANCE

The Group reported a revenue of S$8.4 million in the financial year ended 31 December 2018 ("**FY2018**") as compared to S$9.9 million in the financial year ended 31 December 2017 ("**FY2017**"), a decrease of 15% or S$1.5 million. The decrease was mainly due to the following factors:–

a. Certain coffee shops did not renew contracts after their initial contracts expired.
b. Sales rationalization plan implemented by the Group in FY2018 which resulted in certain sales contracts with low profit margin not being renewed after expiry.
c. A key customer with an average monthly sale of S$45,000 went into liquidation in early September 2018.
d. Sales rebates were granted to customers.
e. Sales returns from customers.

Our cost of sales decreased by approximately S$1.5 million or 14%, from S$10.9 million in FY2017 to S$9.4 million in FY2018 mainly due to:–

a. Decrease in revenue.
b. Restructuring and streamlining exercises taken by the Group, resulting in more efficiency in the utilization of the Group's manpower and other resources.

Subcontractors' expenses increased by S$1.1 million was mainly due to the sub-contracting of the Group's logistics function to a logistics service provider effective from December 2017, which had also resulted in a decrease of personnel expenses proportionately.

Other income increased by approximately S$188,000, mainly due to additional government grants and incentives received by the Group in FY2018.

Administration expenses decreased by S$167,000 were mainly due to resignation of some management and office staff as a result of the restructuring and streamlining exercises taken by the Group.

As a result of the above, loss before taxation decreased by S$0.4 million from S$3.9 million in FY2017 to S$3.5 million in FY2018.

FINANCIAL POSITION

NON-CURRENT ASSETS

Property, plant and equipment decreased by S$9.6 million from S$11.4 million as at 31 Dec 2017 to S$1.8 million as at 31 Dec 2018 was mainly due to:–

a. Reclassification of a property with a net book value of approximately S$8.2 million to Property Held for Sale.
b. Depreciation charge of approximately S$1.4 million during the year.

Investment properties decreased by S$0.5 million was mainly due to fair value loss on investment properties.

CURRENT ASSETS

Trade and other receivables decreased by S$1.5 million as a result of a decrease in revenue, allowance for doubtful trade receivables, sales rebates and higher collections of trade receivables in FY2018.

Cash and bank balances increased by S$0.6 million was mainly due to advanced placement proceeds of S$1.25 million received in December 2018, offset mainly by repayment of loans and borrowings during the year.

NON-CURRENT LIABILITIES

Non-current loans and borrowings decreased by S$1.4 million was mainly due to progressive repayment of loans and borrowings during the year.

Amount due to a director increased by S$0.2 million was mainly due to an additional loan of S$1.2 million provided to the Group for working capital purposes during the year, offset by S$1.0 million of loan waived by the director.

The balance of the amount due to the director of S$3.2 million was reclassified to current liabilities as the Company intends to settle the whole amount within the next 12 months in the following manner, subject to Shareholders' approval being obtained in an Extraordinary General Meeting to be held on 26 April 2019:–

a. S$3.0 million to be paid by way of issuance and allotment of Company's 11,764,705 ordinary shares at a conversion price of S$0.255 per share.
b. S$0.2 million to be paid in cash.

The Company will also issue and allot such number of free warrants at an exercise price of S$0.255 to the director. The number of free warrants to be issued to the director shall be on the basis of 1 free warrant for each conversion share issued to the director. Shareholders may refer to the Company's Circular dated 11 April 2019 for further details on the proposed settlement plan.

CURRENT LIABILITIES

Trade and other payables increased by S$1.6 million was mainly due to the advanced placement proceeds of S$1.25 million received in December 2018 and increase in amount due to a logistics service provider as a result of the sub-contracting of the logistics function.

CASHFLOW

Overall, the Group reported a net increase in cash and cash equivalents of S$576,000 from S$752,000 as at 31 December 2017 to S$1,328,000 as at 31 December 2018. The increase was mainly due to the advanced placement proceeds of S$1.25 million received in December 2018 and an additional loan of S$1.2 million received from a director during the year, offset by repayment of loans and borrowings of S$1.6 million during the year.

OPERATIONS PERFORMANCE

The performance of FY2018 was markedly affected by the continuous competitive market environment resulting in lower revenue in FY2018. Competitors are undercutting prices to secure market share and to stay viable in their business operations. However, with the restructuring and streamlining measures as well as the sales rationalization plan taken by the Group in FY2018 which resulted in more efficiency in the utilization of the Group's manpower and other resources, we managed to report a lower loss for FY2018 despite the decrease in revenue.

As reported previously, we have commenced operations at the Changi Airport facility in October 2017. This facility presents an opportunity for us to provide centralized dishwashing services to the F&B outlets at all airport terminals and the upcoming Jewel Changi Airport. With the marketing effort that we have put in since the commencement of our operations at the Changi Airport facility, we have made notable progress in FY2018 in securing contracts from the F&B outlets, particulars the F&B outlets at the Jewel Changi Airport.

BOARD OF DIRECTORS

PANG POK
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Pang Pok was appointed to the Board on 19 September 2014. He was last re-elected as a Director at the Annual General Meeting on 26 April 2018. Mr Pang Pok is responsible for the Group's overall management, including overseeing its operations, setting directions for new growth areas and developing business strategies. Mr Pang brings with him over 20 years of experience in the F&B industry and has led the expansion and innovation of our business and operations. He has been instrumental in our Group's growth, having founded four out of the five of our Group's companies, including GreatSolutions Pte. Ltd. in 2012, and having served since 1999 as a director on the board of Hawkerway Pte. Ltd.

Mr Pang was awarded the Public Service Medal by the Singapore President's Office in 2011 and the Long Service Award by the People's Association in 2013. He also serves as Assistant Treasurer of the Hainan Business Club, Honorary Deputy Treasurer of the Yuying Secondary School Management Committee, Vice Chairman of the Qinghai Association (Singapore) and Vice President of the Guang Wu Club.

LIU CHANGSHENG
NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr Liu was appointed to our Board on 10 January 2019. Mr Liu has both academic foundation and hand-on experience in all facets of investment, international trade, banking and finance.

Mr Liu is currently the Executive Director of KTL Group Limited which is listed on the Mainboard of Singapore Exchange, and presently sits on the board of a number of companies in various industries in Singapore and the People's Republic of China. He is a director of Raffles Financial Limited & Raffles Xhange Limited.

Prior to joining our Group, he co-founded eCapital (China) Finance Leasing Company Limited in 2015 and also founded GuoRong China Finance Bank (Beijing) Asset Management Company Limited to serve companies for their public listing, mergers and acquisitions activities. Between 2011 to 2015, he was Deputy Head at China Construction Bank Henan Branch responsible for its entire personal and corporate banking businesses.

Mr Liu Changsheng graduated from Luoyang Institute of Technology in 2000 with a Diploma in International Trade and obtained professional certificates in private equity fund awarded by Asset Management Association of China (AMAC).

LEE DAH KHANG
Lead Independent Director

Mr Lee Dah Khang was appointed to our Board on 1 July 2016. He was last re-elected as a Director at the Annual General Meeting on 28 April 2017. Mr Lee has over 20 years of experience in providing external, internal audit and consultancy services.

Mr Lee is a director of Yang Lee Consulting Pte Ltd, a management consulting firm which he set up in 2005 that provides professional services on corporate risk advisory, internal audits, financial due diligence, accounting solutions and Pre-IPO advisory services. He serves a portfolio of companies listed on SGX-ST, multi-national companies, small and medium enterprises across a variety of industries. He is currently also the Lead Independent Director of LY Corporation Limited, a company listed on Catalist. Mr Lee had previously served as an Independent Director of Pteris Global Limited and Shinvest Holding Limited.

Mr Lee graduated with a Bachelor of Accountancy from Nanyang Technological University in June 1995. He is a fellow chartered accountant of the Institute of Singapore Chartered Accountants and a Certified Internal Auditor of the Institute of Internal Auditors. Mr Lee is also a practising management consultant of the Practising Management Consultant Certification Board.

CHOW KEK TONG
INDEPENDENT DIRECTOR

Mr Chow Kek Tong was appointed to the Board on 17 December 2015. He was last re-elected as a Director at the Annual General Meeting on 26 April 2018. Mr Chow has over 20 years of relevant experience in finance and audit work, having held senior positions in several publicly-listed companies including Hong Kong-listed Starlite Holdings, Malaysia-listed Innovest Holdings, and SGX Mainboard-listed Flextech Holdings Ltd.

Mr Chow currently runs a business consultancy firm, Nizhoni Investment Pte. Ltd.

Mr Chow studied professional courses in accountancy with the North East London Polytechnic and Financial Training Institute, London, and has been an associate member of the Institute of Chartered Accountants England & Wales since 1983.

BOARD OF DIRECTORS

CHONG ENG WEE
INDEPENDENT DIRECTOR

Mr Chong Eng Wee was appointed to our Board on 10 January 2019.

Mr Chong is Head of the corporate team at Kennedys Legal Solutions with deep expertise spanning corporate and securities laws, capital markets, mergers and acquisitions, private equity, China, banking and finance, corporate restructuring, joint ventures, corporate and commercial contracts, regulatory compliance, corporate governance advisory and corporate secretarial work.

Mr Chong has more than a decade of experience practising at leading law firms in Singapore and as in-house counsel advising major companies listed on the main board of Singapore Exchange Securities Trading Limited. He gained a good working knowledge of foreign investment laws in People's Republic of China ("PRC") while acting as the Representative for the Shanghai Representative Office of a previous law firm, and was also previously joint Company Secretary for three SGX-ST Mainboard listed companies.

Mr Chong has advised listed companies, issue managers, underwriters and placement agents, private equity funds, multinational corporations, high net-worth individuals and small and medium enterprises on a wide range of corporate, capital markets and private equity transactions including initial public offerings, pre-IPO investment, dual listings, reverse takeovers, public takeovers, de-listings, rights and warrants issues, placements, local and cross border acquisitions and disposals of shares and assets, downstream investment and compliance by private equity funds, joint ventures, corporate restructuring and various corporate actions by listed companies.

Mr Chong has advised on various cross-border transactions with PRC elements, and frequently advises listed companies on their regulatory compliance and corporate governance issues.

Mr Chong has acted for borrowers on facility loans and security documents and has also been involved on corporate real estate transactions involving sale and lease back of land and buildings, and acquisitions and disposals of office, commercial and residential buildings.

Other than his directorship at GS Holdings Limited, Mr Chong is currently an independent and non-executive director at Heatec Jietong Holdings Limited (listed on SGX-ST Catalist Board), and CW Group (Holdings) Limited (listed on the Main Board of the Hong Kong Stock Exchange).

Mr Chong has also been ranked as one of Singapore's Top 40 Most Influential Lawyers aged under 40 by Singapore Business Review in 2015.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chong Eng Wee and Mr Liu Changsheng are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2019 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Listing Manual Section B: Rules of Catalist of the SGX-ST:

	MR CHONG ENG WEE	MR LIU CHANGSHENG
Date of Appointment	10 January 2019	10 January 2019
Date of last re-appointment	N.A.	N.A.
Age	38	43
Country of principal residence	Singapore	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Chong Eng Wee for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Mr Chong Eng Wee possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Liu Changsheng for re-appointment as Non-Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Liu Changsheng possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Independent Director Chairman of Nominating Committee Member of Audit and Risk Committee Member of Remuneration Committee	Non-Independent Non-Executive Director Member of Audit and Risk Committee Member of Nominating Committee Member of Remuneration Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHONG ENG WEE	**MR LIU CHANGSHENG**
Professional qualifications	Advocate and solicitor of Supreme Court of Singapore Barrister and Solicitor of High Court of New Zealand Lawyer of the Supreme Court of New South Wales	NIL
Working experience and occupation(s) during the past 10 years	2017 to Present: Partner and Head of Corporate at Kennedys Legal Solutions. 2015 to 2017: Partner & Deputy Head, Capital Markets & International China Practice (South East Asia) at RHTLaw Taylor Wessing LLP 2011 to 2015: Associate Director & Representative of Shanghai Representative office at Duane Morris & Selvam LLP 2009 to 2011: Associate at KhattarWong LLP 2008 to 2009: Assistant Manager (Legal) at Great Eastern Life Assurance Company Limited	2018 to Present: Director of Raffles Financial Limited and Raffles Xhange Limited 2015 to Present: Founder of GuoRong China Finance Bank (Beijing) Asset Management Company Limited 2015 to 2017: Co-Founder of eCapital (China) Finance Leasing Company Limited 2011 to 2015: Deputy Head of International Department – China Construction Bank Henan Branch 2009 to 2011: General Manager of Hualing Investment Holding Group Company Limited
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHONG ENG WEE	MR LIU CHANGSHENG
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years)	1. Innopac Holdings Limited 2. Selvam LLC	1. Qingdao Zhongheng Huaxin Financial Leasing Co., Ltd 2. HBDHF Finance Limited
Present	1. Heatec Jietong Holdings Limited 2. CW Group Holdings Limited 3. Kennedys Legal Solutions Pte Ltd	1. Raffles Financial Limited 2. Raffles Xhange Limited 3. GuoRong China Finance Bank (Beijing) Asset Management Company Limited 4. Changsheng Investment Development Limited 5. Bluegas Private Limited 6. KTL Global Limited 7. Henan Shengning Industrial Co., Ltd 8. Henan Express Carving Building Material Co., Ltd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHONG ENG WEE	MR LIU CHANGSHENG
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHONG ENG WEE	MR LIU CHANGSHENG
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation of dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHONG ENG WEE	MR LIU CHANGSHENG
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclosure Applicable to the appointment of Director only

	MR CHONG ENG WEE	MR LIU CHANGSHENG
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	N.A	N.A
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A	N.A
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A	N.A

KEY MANAGEMENT

CHONG PAW LONG
CHIEF FINANCIAL OFFICER

Mr Chong first joined the Group in March 2018 as the Financial Controller and was promoted to Chief Financial Officer in March 2019. He is responsible for all the financial and accounting functions and corporate matters of the Company and the Group.

Mr Chong has more than 25 years of working experience gained in different industries with various corporations and public listed companies in Singapore and overseas. Mr Chong graduated with a Bachelor of Accountancy degree.

ELISS PANG
Director of Operations

Ms Pang joined the Group as Special Projects Manager in 2015 and was promoted to Director of Operations in June 2018.

As Director of Operations, Ms Pang is responsible for the overall planning, operations management and business development of our wholly-owned subsidiary, Greatsolutions Pte Ltd. Ms Pang has previous experience in the food and beverage industry, managing a chain of food kiosks.

Ms Pang graduated with a Bachelor of Social Sciences from National University of Singapore and holds a Masters of Social Sciences in Professional Counselling from Swinburne of Technology Australia.

AWARDS & ACCREDITATION

ISO 22000: 2005 certification

- Demonstrates commitment to stringent food safety standards

Halal certification

- A competitive advantage which lays the foundation for future business expansion to widen customer base

Highest qualification that can be attained in the BizSAFE programme

- Strong endorsement of the Group's focus in health, safety and environmental management systems

OHSAS 18001:2007

- Strong endorsement of the Group's focus in health, safety and environmental management systems

Clean Mark Silver

- In relation to cleaning services in the conservancy/ public areas, commercial premises and food and beverage establishments sectors

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

PANG POK
Executive Chairman, Chief Executive Officer

LIU CHANGSHENG
Non-Independent and Non-Executive Director

LEE DAH KHANG
Lead Independent Director

CHONG ENG WEE
Independent Director

CHOW KEK TONG
Independent Director

AUDIT AND RISK COMMITTEE

LEE DAH KHANG *(Chairman)*
CHONG ENG WEE
CHOW KEK TONG
LIU CHANGSHENG

NOMINATING COMMITTEE

CHONG ENG WEE *(Chairman)*
CHOW KEK TONG
LEE DAH KHANG
LIU CHANGSHENG

REMUNERATION COMMITTEE

CHOW KEK TONG *(Chairman)*
LEE DAH KHANG
CHONG ENG WEE
LIU CHANGSHENG

COMPANY SECRETARY

SIN CHEE MEI
CHAN MEE MEI

REGISTERED OFFICE

8 Loyang Way 4
Singapore 507604

PRINCIPAL PLACE OF BUSINESS

8 Loyang Way 4
Singapore 507604

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

RHT CORPORATE ADVISORY PTE. LTD.
9 Raffles Place #29-01
Republic Plaza Tower 1
Singapore 048619

INDEPENDENT AUDITORS

BAKER TILLY TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge:
Mr Gilbert Lee Chee Sum
(Date of appointment:
Since financial year ended
31 December 2018)

PRINCIPAL BANKER

DBS BANK LTD.
12 Marina Boulevard
Tower 3 Marina Bay
Financial Centre
Singapore 018982

SPONSOR

UOB KAY HIAN PRIVATE LIMITED
8 Anthony Road #01-01
Singapore 229957

CORPORATE GOVERNANCE

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the "**Board**") of GS Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company's corporate governance structures and practices that were in place during the financial year ended 31 December 2018 ("**FY2018**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

This report should be read in totality, instead of being read separately under each principle of the Code. The Board noted the revised Code of Corporate Governance issued on 6 August 2018 ("**Revised Code**"), which is only effective from the Company's financial year commencing 1 January 2019, and will endeavor to comply with the Revised Code once it is effective.

The Board and Management have taken step to align the governance framework with the recommendations of the Code, where applicable, and where deviations from the Code, appropriate explanations are provided.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2018.

CORPORATE **GOVERNANCE**

<table>
<tr><th colspan="3">BOARD MATTERS</th></tr>
<tr><th colspan="3"><u>The Board's Conduct of Affairs</u></th></tr>
<tr>
<td>1.1</td>
<td>What is the role of the Board?</td>
<td>
<p>Currently, the Board has five (5) Directors, three of whom are Independent Non-Executive Directors. The Directors of the Company as at the date of this annual report are:–</p>
<table>
<tr><th colspan="2"><i>Table 1.1 – Composition of the Board</i></th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Pang Pok</td><td>Executive Chairman and Chief Executive Officer</td></tr>
<tr><td>Lee Dah Khang</td><td>Lead Independent Director</td></tr>
<tr><td>Chua Kern (Resigned on 10 January 2019)</td><td>Independent Director</td></tr>
<tr><td>Chow Kek Tong</td><td>Independent Director</td></tr>
<tr><td>Lee Sai Sing (Resigned on 9 November 2018)</td><td>Non-Independent and Non-Executive Director</td></tr>
<tr><td>Chong Eng Wee (Appointed on 10 January 2019)</td><td>Independent Director</td></tr>
<tr><td>Lui Changsheng (Appointed on 10 January 2019)</td><td>Non-Independent and Non-Executive Director</td></tr>
</table>
<p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions are:</p>

supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic objectives and direction;
overseeing the process for evaluating the adequacy and effectiveness of internal control, risk management, financial reporting and compliance;
reviewing the performance of management and overseeing succession planning for management;
setting the Company's value and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and
providing overall corporate governance of the Company.

</td>
</tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><td>1.2</td><td>All directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the company.</td><td>All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.</td></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>Board Committees, namely the Audit and Risk Committee (the ("ARC"), the Remuneration Committee (the "RC"), the Nominating Committee (the "NC") (collectively the "Board Committees") have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference. The terms of references are reviewed on a regular basis to ensure its continued relevance.

The compositions of the Board Committees are as follows:
<table>
<tr><th></th><th>ARC</th><th>NC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Lee Dah Khang</td><td>Chong Eng Wee</td><td>Chow Kek Tong</td></tr>
<tr><td>Member</td><td>Chow Kek Tong</td><td>Lee Dah Khang</td><td>Lee Dah Khang</td></tr>
<tr><td>Member</td><td>Chong Eng Wee</td><td>Chow Kek Tong</td><td>Chong Eng Wee</td></tr>
<tr><td>Member</td><td>Liu Changsheng</td><td>Liu Changsheng</td><td>Liu Changsheng</td></tr>
</table>
</td></tr>
</table>

CORPORATE **GOVERNANCE**

<table>
<tr>
<td>1.4</td>
<td>Have the Board and Board Committees met in the last financial year?</td>
<td>
The Board meets quarterly and more often when required to address any specific significant matters which may arise.

The Company's constitution (the "Constitution") allows for meetings to be held through audio visual communication equipment. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The Board met five times in FY2018. The number of Board and Board Committee meetings held and the attendance of each board member at the meetings during FY2018 are as follows:–

<table>
<tr><th></th><th colspan="2">Board</th><th colspan="2">ARC</th><th colspan="2">NC</th><th colspan="2">RC</th></tr>
<tr><th>Name of Director</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th></tr>
<tr><td>Pang Pok</td><td>5</td><td>5</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>Lee Dah Khang</td><td>5</td><td>5</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Chua Kern^</td><td>5</td><td>5</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Chow Kek Tong</td><td>5</td><td>5</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Lee Sai Sing#</td><td>5</td><td>4</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>Chong Eng Wee*</td><td>5</td><td>NA</td><td>4</td><td>NA</td><td>1</td><td>NA</td><td>1</td><td>NA</td></tr>
<tr><td>Liu Changsheng*</td><td>5</td><td>NA</td><td>4</td><td>NA</td><td>1</td><td>NA</td><td>1</td><td>NA</td></tr>
</table>
Mr Lee Sai Sing resigned as Non Independent Non-Executive Director of the Company on 9 November 2018.

^ Mr Chua Kern resigned as Independent Director of the Company on 10 January 2019.

* Mr Chong Eng Wee and Mr Liu Changsheng were appointed as Independent Director and Non Independent Non-Executive Director of the Company respectively on 10 January 2019.
</td>
</tr>
</table>

CORPORATE GOVERNANCE

1.5	What are the types of material transactions which require approval from the Board?	Matters that require the Board's approval include, amongst others, the following: • approval of the Group's strategic objectives; • changes relating to the Group's capital structure including reduction of capital, share issues and share buy backs; • major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals; • approval of the interim and full year's results announcements and release of annual reports • approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend; • approval of material investments, divestments or capital expenditure; • approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting including approval of all circulars, prospectuses, etc; and • any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational matters.

CORPORATE **GOVERNANCE**

1.6	(a) Are new Directors given formal training? If not, please explain why.	The Company ensures that incoming new Directors are given guidance and orientation including onsite visits to get them familiarised with the Group's businesses, organisation structure, corporate strategies and policies and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties. For new Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend training courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	All Directors are updated regularly on any new developments in regulatory, legal and accounting frameworks that are of relevance to the Group through participation in training courses, seminars and workshops, at the Company's expense. The Directors were briefed by the External Auditors ("**EA**") on changes and amendments to the Singapore Financial Reporting Standards and regulatory updates on a half yearly basis. The Chief Executive Officer ("**CEO**") updates the Board at each meeting on business and strategic developments of the Group. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. Directors are also informed of upcoming conferences and seminars relevant to their roles as directors of the Company.
1.7	Upon appointment of each director, has the Company provided a formal letter to the director, setting out the director's duties and obligations?	A formal letter of appointment is provided to every new Director, setting out his duties and obligations.

CORPORATE GOVERNANCE

Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	The retirement of Mr Lee Dah Khang as Lead Independent Director, ARC Chairman and member of NC and RC will be effective after the conclusion at the forthcoming Annual General Meeting ("**AGM**") on 26 April 2019. The Board has taken steps to find a replacement and shall endeavour to fill the vacancy and announce the appointment of Lead Independent Director of the Company in due course. The criterion of independence is based on the guidelines stated in the Code. The Board considers an "Independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. The independence of the Independent Director is subject to the NC's review annually, based on the guidelines stated in the Code, in particular the rigorous review on the continued independence of Independent Directors who have served for more than nine (9) years from the date of their first appointment. The Board determined that the Independent Directors remained independent in character and judgment, and that there were no relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The Board is of the opinion that their length of service has not, in anyway, affected their independence. The Board is able to exercise objective judgement independently from Management and no individual or small group of individuals dominate the decisions of the Board.

CORPORATE **GOVERNANCE**

2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The independence of each director is assessed and reviewed annually by the NC in accordance with the Code. The Independent Directors, Mr Lee Dah Khang, Mr Chow Kek Tong and Mr Chong Eng Wee had confirmed their independence in accordance with the Code.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	The Independent Directors do not have any relationship as stated in the Code that would otherwise deem them not to be independent.
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	None of the Independent Directors on the Board serves for a period exceeding nine years from the date of his first appointment.
2.5	Has the Board examine its size and decide on what it considers an appropriate size for the Board, which facilitates effective decision making?	Taking into account the nature and scope of the Group's business, in concurrence with the NC, the Board believes that its current size and composition provide sufficient diversity without interfering with efficient decision making.

CORPORATE GOVERNANCE

<table>
<tr>
<td rowspan="2">2.6</td>
<td>(a) What is the Board's policy with regard to diversity in identifying Director nominees?</td>
<td rowspan="2">The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with core competencies such as accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<table>
<tr><th colspan="3"><i>Table 2.6 – Balance and Diversity of the Board</i></th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board (%)</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>– Accounting or finance</td><td>3</td><td>60</td></tr>
<tr><td>– Business management</td><td>5</td><td>100</td></tr>
<tr><td>– Legal or corporate governance</td><td>4</td><td>80</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>2</td><td>40</td></tr>
<tr><td>– Strategic planning experience</td><td>5</td><td>100</td></tr>
<tr><td>– Customer based experience or knowledge</td><td>2</td><td>40</td></tr>
<tr><td>Gender</td><td></td><td></td></tr>
<tr><td>– Male</td><td>5</td><td>100</td></tr>
<tr><td>– Female</td><td>0</td><td>0</td></tr>
</table>
</td>
</tr>
<tr>
<td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td>
</tr>
</table>

CORPORATE **GOVERNANCE**

	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	The Board has adopted the following steps to maintain or enhance its balance and diversity: • Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary to enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.
2.7	How have the Non-Executive Directors: (a) constructively challenge and help develop proposals on strategy; and (b) review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance?	The Non-Executive Directors are kept well informed of the Group's business and are knowledgeable about the industry the Group operates in. To ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their oversight functions effectively.
2.8 3.4	Have the Non-Executive Directors (including Independent Directors) met in the absence of key management personnel in the last financial year?	The Non-Executive Directors discuss and/or meet on a need-basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. The Non-Executive Directors had held periodic conference calls and/or meetings in the absence of key management personnel in FY2018.

CORPORATE GOVERNANCE

Chairman and Chief Executive Officer		
3.1 3.2	Are the duties between Chairman of the Board and CEO segregated?	Mr Pang Pok is the Executive Chairman and CEO of the Company. He is responsible for our Group's overall management, including overseeing our operations, setting directions for new growth areas and developing business strategies. Mr Pang Pok plays an instrumental role in developing the business of the Group and has provided the Group with strong leadership and vision. It is hence the view of the Board that it is currently in the best interests of the Group to adopt a single leadership structure. The Executive Chairman and CEO remains involved in significant corporate matters, especially those of strategic nature. In addition, he is responsible for the effective function of the Board and exercise control over the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board, and in ensuring compliance with the guidelines set out in the Code. Taking into account the size, scope and nature of the operations of the Group, the roles of the Executive Chairman and CEO are not separated as the Board is of the view that there is adequate accountability and transparency within the Group. The Board is also of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. All the Board Committees are chaired by Independent Directors and more than one third of the Board consists of Independent Directors in FY2018. The Company has adhered to the recommendation of the Code by appointing Mr Lee Dah Khang as Lead Independent Director with effect from 1 July 2016. Mr Pang has been the CEO of the Company since 2014.

CORPORATE **GOVERNANCE**

Board Membership		
4.1 4.2	What are the duties of the NC?	The NC holds at least one (1) meeting in each financial year. The NC is guided by key terms of reference as follows: (a) recommend to the Board on board appointments, including re-nominations of existing directors for re-election in accordance with our Constitution, taking into account the director's contribution and performance; (b) review and approve any new employment of related persons and proposed terms of their employment; (c) determine on an annual basis, and as and when circumstances require, whether or not a director of our Company is independent; (d) in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments; (e) recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards and the maximum number of listed company board representations which any Director may hold; (f) decide whether or not the Director is able to and has been adequately carrying his duties as a Director of the Company; (g) develop a process for evaluation of the performance of the Board, its committees and the Directors and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value;

CORPORATE GOVERNANCE

		(h) if an external facilitator has been used in assessing the effectiveness of the Board, its board committees and each directors, to ensure that existing relationships, if any, between the Company and its appointed facilitator will not affect the independence and objectivity of the facilitator; (i) review the succession plans for Directors and key executives; and (j) review training and professional development programmes for our Board.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?	The Board has not determined the maximum number of listed company board representations each Director may hold.
	(b) If a maximum has not been determined, what are the reasons?	The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments, and not guided by a numerical limit. Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company taking into consideration time and resources allocated to the affairs of the Company. The NC is of the view that all the Directors are able to devote to the Company's affairs in light of their other commitments. The Board also notes that currently, none of the Directors holds more than three board representations in listed companies.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; and • Nature and scope of the Group's operations and size.
	(d) Have the Directors adequately discharged their duties?	The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2018.

CORPORATE **GOVERNANCE**

<table>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>As at the date of this annual report, the Company does not have any alternate directors.</td></tr>
<tr><td>4.6</td><td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td><td>
<table>
<tr><th colspan="3"><i>Table 4.6(a) – Process for the Selection and Appointment of New Directors</i></th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><th colspan="3"><i>Table 4.6(b) – Process for the Re-electing Incumbent Directors</i></th></tr>
<tr><td rowspan="2">1.</td><td rowspan="2">Assessment of director</td><td>• The NC would access the contributions and performance of the Director in accordance with the performance criteria set by the Board; and</td></tr>
<tr><td>• The NC would also review the range of expertise, skills and attributes of current Board members and consider the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td></tr>
<tr><td></td><td colspan="2">All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Article 113 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation and be eligible for re-election at the Company's AGM. According to Article 113, Mr Lee Dah Khang will be retiring at the Company's forthcoming AGM and shall be eligible for re-election. Mr Lee Dah Khang will not be seeking re-election and hence retire as Lead Independent Director at the conclusion of the forthcoming AGM.</td></tr>
</table>

			In addition, pursuant to Article 117 of the Company's Constitution, additional Directors appointed during the year shall hold office until the next AGM and shall then be eligible for re-election. Mr Chong Eng Wee and Mr Liu Changsheng will be retiring at the Company's forthcoming AGM and shall be eligible for re-election. Both Mr Chong Eng Wee and Mr Liu Changsheng had consented to continue in office and the Board has accepted the NC's recommendation for the re-election of Mr Chong Eng Wee and Mr Liu Changsheng. In making the recommendations, the NC had considered the Directors' overall contribution and performance. Both Mr Chong Eng Wee and Mr Liu Changsheng do not have any relationships, including immediate family relationships between themselves and the other directors, the Company, or its 10% shareholders. Mr Chong Eng Wee will, upon re-election as a Director, remain as the Chairman of the NC and a member of the ARC and RC. Mr Liu Changsheng will, upon re-election as a Director, remain as a member of the ARC, NC and RC. Pursuant to Rule 720(5) of the SGX-ST Catalist Rules (which takes effect from 1 January 2019), where the Directors are being re-elected, the information found in Appendix 7F have been included in the Board of Directors' Section in the Annual Report.

CORPORATE GOVERNANCE

4.7	Please provide the following key information regarding the Directors'. • Academic and professional qualifications • Shareholding in the Company and its related corporation • Board Committees served on (as a member or chairman), date of first appointment and last re-appointment as a Director; • Directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments; • Indicate which Directors are executive, non-executive or considered by the NC to be independent; and • The names of the Directors submitted for appointment or re-appointment should also be accompanied by such details and information to enable shareholders to make informed decisions.	The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out on pages 8 to 10 of this annual report. The shareholdings of the individual Directors of the Company are set out on page 65. None of the Directors hold shares in the subsidiaries of the Company. Directors who are seeking re-appointment at the forthcoming AGM to be held on 26 April 2019 are stated in the Notice of AGM set out on pages 133 to 138 of this annual report.

CORPORATE **GOVERNANCE**

<table>
<tr><th colspan="3">Board Performance</th></tr>
<tr><td>5.1
5.2
5.3</td><td>What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board?</td><td>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:
<table>
<tr><th colspan="3"><i>Table 5</i></th></tr>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th><th>Individual Directors</th></tr>
<tr><td>Qualitative</td><td>1. Size and composition
2. Conduct of Meetings
3. Access to information
4. Board processes and accountability
5. Strategic planning
6. Risk management and Internal Control
7. CEO Performance/ Succession Planning
8. Compensation
9. Communication with shareholders</td><td>1. Commitment of time
2. Candour
3. Participation
4. Knowledge and abilities
5. Teamwork
6. Independence
7. Overall effectiveness</td></tr>
<tr><td>Quantitative</td><td>1. Measuring and monitoring performance
2. Financial Reporting</td><td>1. Attendance at Board and Board Committees meetings</td></tr>
</table>
</td></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>Review of the Board’s performance as appropriate, is undertaken collectively by the NC annually and informally on continual basis.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, the Board Committees and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives in FY2018.</td></tr>
</table>

<table>
<tr><th colspan="3"><u>Access to Information</u></th></tr>
<tr>
<td>6.1
6.2
10.3</td>
<td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td>
<td>
<table>
<tr><th colspan="3"><i>Table 6 – Types of information provided by key management personnel to Independent Directors</i></th></tr>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>Updates to the Group’s operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis)</td><td>Quarterly</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>Quarterly</td></tr>
<tr><td>5.</td><td>Enterprise risk framework and internal auditors′ (“IA”) report(s)</td><td>Yearly</td></tr>
<tr><td>6.</td><td>Shareholding statistics</td><td>Yearly</td></tr>
<tr><td>7.</td><td>EA′ report(s)</td><td>Yearly</td></tr>
</table>

Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group’s performance, position and prospects.
</td>
</tr>
</table>

CORPORATE **GOVERNANCE**

6.3 6.4	What is the role of the Company Secretary?	The role of the Company Secretary is as follows: • assist the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings; • administer and attend all Board and Board Committees meetings of the Company and prepares minutes of meetings; • ensure that Board procedures are observed and that applicable rules are complied with; and • advise the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value; • assist the Chairman in ensuring good information flows within the Board and its Board Committees. The appointment and the removal of the Company Secretary are subject to the approval of the Board. Where the Directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary may assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.

CORPORATE GOVERNANCE

REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1 7.2 7.4	What is the role of the RC?	The RC is guided by key terms of reference as follows: (a) review and recommend to the Board a framework of remuneration for each Executive Director and key management personnel and determine specific remuneration packages for each Executive Director and key management personnel; (b) review annually the remuneration packages of the employees who are related to any of the Directors or any substantial shareholder of the Company; (c) review all aspect of remuneration Board and key management personnel, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind; (d) review the design of all long term and short term incentive plans including option plans, stock plans and/or other equity based plans that the Group proposes to implement and oversee the administration of GS Holdings Employee Share Option Scheme (the "**GS Holdings ESOS**") and GS Holdings Performance Share Plan ("**GS Holdings PSP**"); (c) review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; (d) Consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to each key management personnel; and (e) seek expert advice inside the Company and/or outside professional advice on remuneration of all directors and to ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants.
7.3	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged by the Company in FY2018.

CORPORATE **GOVERNANCE**

Level and Mix of Remuneration		
8.1	What are the measures for assessing the performance of executive directors and key management personnel?	In determining the level of remuneration, the RC shall: • give due consideration to the Code's principles and guidance notes on the level and mix of remuneration so as to ensure that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully; • ensure that a proportion of the remuneration is linked to corporate and individual's performance; and • design remuneration packages in such manner as to align interest of executive director and key management personnel with those of shareholders. Annual review is carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel commensurate with the Company's and their performances, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO is reviewed periodically by the RC and the Board.
8.2	Are there long-term incentive schemes for Executive Directors and key management personnel?	The Company has adopted the GS Holdings ESOS and GS Holdings PSP since 17 December 2015. The GS Holdings ESOS serves as a long-term incentive scheme for the Directors and employees of the Company. The GS Holdings PSP serves to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance and to align the interests of Directors with the interests of shareholders. Both GS Holdings ESOS and GS Holdings PSP are administered by the RC comprising four directors, Chow Kek Tong, Lee Dah Khang, Chong Eng Wee and Liu Changsheng. The Chairman of the RC is Chow Kek Tong.

CORPORATE GOVERNANCE

8.3	How is the remuneration for Non-Executive Directors determined?	The Board concurred with the RC that the proposed directors' fees for the year ending 31 December 2019 is appropriate and that all the directors receive directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees (if any), as well as the responsibilities and obligations of the Directors. Each of the Directors will receive his directors' fees in cash. The Company recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive to the extent that their independence might be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.
8.4	Are there any contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company?	Having reviewed and considered the variable components of the Executive Director and the key management personnel, which are not excessive, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

CORPORATE **GOVERNANCE**

<table>
<tr><th colspan="3">Disclosure on Remuneration</th></tr>
<tr><td>9</td><td>What is the Company's remuneration policy?</td><td>The Company's remuneration policy is one that seeks to attract, retain and motivate employees to achieve the Company's long-term growth and prosperity and to create value for our shareholders. The Company believes in aligning its level and structure of remuneration with the interest of shareholders to promote the long-term success of the Company. To initiate this, the GS Holdings ESOS and GS Holdings PSP have been adopted to link rewards to eligible employees and Directors, especially key executives based on corporate and individual performance and align their interests with those of shareholders.</td></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>
<p>The breakdown for the remuneration of the Directors for FY2018 is as follows:</p>
<table>
<tr><th colspan="8">Table 9 - Directors' Remuneration</th></tr>
<tr><th>Name</th><th>Remuneration Band (1)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Directors Fees (%)</th><th>Share Incentives Scheme</th><th>Total (%)</th></tr>
<tr><td>Pang Pok</td><td>A</td><td>86</td><td>-</td><td>-</td><td>14</td><td>-</td><td>100</td></tr>
<tr><td>Lee Dah Khang</td><td>A</td><td>-</td><td>-</td><td>-</td><td>77</td><td>23</td><td>100</td></tr>
<tr><td>Chua Kern</td><td>A</td><td>-</td><td>-</td><td>-</td><td>76</td><td>24</td><td>100</td></tr>
<tr><td>Chow Kek Tong</td><td>A</td><td>-</td><td>-</td><td>-</td><td>76</td><td>24</td><td>100</td></tr>
<tr><td>Lee Sai Sing#</td><td>A</td><td>-</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
</table>
<p># Mr Lee Sai Sing resigned as Non Independent Non Executive Director on 9 November 2018.</p>
<p>The above remuneration for FY2018 has been pro-rated according to their date of appointment or date of resignation (where applicable). The remuneration of Mr Chong Eng Wee and Mr Liu Changsheng is not specified above as they were appointed subsequent to FY2018.</p>
<p>After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.</p>
<p>There are no termination, retirement, post-employment benefits that may be granted to the Directors, save for the standard contractual notice period termination payment in lieu of service.</p>
</td></tr>
</table>

CORPORATE GOVERNANCE

9.3

(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

Currently, the Company only has 2 top key management personnel as at the date of this annual report.

The breakdown for the remuneration of the Company's top 4 key management personnel (who are not Directors or the CEO) for FY2018 is as follows:

Table 9.3 – Remuneration of Key Management Personnel

Name	Remuneration Band (1)	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Share Incentives Scheme	Total (%)
Phang Boon Chin Aren#	A	100	–	–	–	100
Chong Paw Long*	A	69	–	–	31	100
Tung Juh Ing^	A	100	–	–	–	100
Pang Yiling Eliss(@)	A	85	–	15	–	100

\# Mr Phang Boon Chin Aren resigned as Head (Food and Beverage Division) of the Company on 10 March 2018.

* Mr Chong Paw Long was appointed as Financial Controller of the Company on 12 April 2018 and promoted to Chief Financial Officer on 1 March 2019.

^ Ms Tung Juh Ing resigned as Finance Manager of the Company on 7 March 2018.

(@) Ms Pang Yiling Eliss was a Head of Special Project of the group and promoted to Director of Operations on 25 June 2018. Ms Pang is the daughter of Pang Pok, Executive Chairman and CEO.

The above remuneration for FY2018 has been pro-rated according to their date of appointment or date of resignation (where applicable).

There are no termination, retirement, post-employment benefits that may be granted to the above key management personnel, save for the standard contractual notice period termination payment in lieu of service.

Notes

(1) Remuneration Bands:

Band A: Compensation from S$0 to S$250,000 per annum.

Band B: Compensation from S$250,001 to S$500,000 per annum.

Band C: Compensation from S$500,001 and above

CORPORATE **GOVERNANCE**

<table>
<tr><td></td><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the above key management personnel for FY2018 was S$241,907.</td></tr>
<tr><td>9.4</td><td>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>Save as the below said, there was no other employee of the Group who was an immediate family member of a Director or the CEO.
<table>
<tr><td colspan="5"><i>Table 9.4 – Remuneration of Employees who are immediate family members of a Director</i></td></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td colspan="5">S$50,000 to S$99,999</td></tr>
<tr><td>Pang Yiling Eliss[1]</td><td>85</td><td>–</td><td>15</td><td>100</td></tr>
</table>
[1] Daughter of Pang Pok, Executive Chairman and CEO.</td></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>The Company has adopted the GS Holdings ESOS (the "Scheme") and the GS Holdings PSP (the "Plan"). The Scheme and the Plan will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Scheme and the Plan form an integral component of our compensation plan and are designed to primarily reward and retain Directors and employees whose services are vital to the growth and performance of our Company and/or our Group. The Scheme and the Plan are currently administered by the RC in accordance with the rules of the Scheme and the Plan respectively.</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr>
<td rowspan="2">9.6</td>
<td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td>
<td>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2018. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.</td>
</tr>
<tr>
<td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td>
<td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><td colspan="3"><i>Table 9.6(b)</i></td></tr>
<tr><td>Performance Conditions</td><td>Short-term Incentives
(such as performance bonus)</td><td>Long-term Incentives
(such as the ESOS & PSP)</td></tr>
<tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork</td></tr>
<tr><td>Quantitative</td><td>1. Profit before tax of the Group</td><td>1. Profit before tax of the Group</td></tr>
</table>
</td>
</tr>
<tr>
<td></td>
<td>(c) Were all of these performance conditions met? If not, what were the reasons?</td>
<td>Yes, the RC had reviewed the relevant performance conditions and noted that not all conditions were met given that the Group was loss-making in FY2018.</td>
</tr>
</table>

CORPORATE **GOVERNANCE**

ACCOUNTABILITY AND AUDIT		
Accountability		
10.1 10.2	The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.	The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board strives to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects. The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, where appropriate. The Board in consultation with management will request for management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control. Management provides appropriately detailed management accounts of the Group's performance on a quarterly basis to the Board to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. As and when circumstances arise, the Board can request management to provide any necessary explanation and/or information on the management accounts of the Group.
Risk Management and Internal Controls		
11.1	The Board should determine the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.	The Board, assisted by the ARC, oversees the management in the area of risk management and internal control system and also determines the Company's risk appetite and tolerance level. The Management regularly reviews and improves the Company's business and operational activities to identify areas of significant risks and their respective risk exposure and tolerance ratings as well as mitigating control measures and reported to the ARC and the Board annually. Management highlights and discusses (if any) salient risk management matters to the Board on a quarterly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks.

CORPORATE GOVERNANCE

11.2 11.4	The Board should, at least annually, review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such review can be carried out internally or with the assistance of any competent third parties.	During FY2018, the following were performed to review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls: 1. Board Committee meetings were held with the key management personnel to discuss and review the financial and operational (including compliance and information technology issues) performance of the Group. Internal control issues, where applicable, were discussed and addressed during such meetings; 2. An internal audit was performed by the IA and significant internal control matters were highlighted to the CFO and key management personnel and appropriately addressed. The results of the internal audit were presented and approved by the ARC; 3. An external audit was performed by the EA and control gaps in financial controls were highlighted to the CFO and key management personnel and appropriately addressed. The controls gaps were presented and reviewed by the ARC; 4. Discussions were held between the ARC, IA and EA in the absence of the key management personnel to and address any potential concerns; and 5. Key management personnel regularly evaluates, monitors and reports to the ARC on material risks and a set of risk registers is maintained, updated and presented to the ARC annually. The Board has also received assurance from the CEO and CFO: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems including financial, operational, compliance and information technology controls, and risk management systems are effective and adequate.

CORPORATE **GOVERNANCE**

		Based on the internal controls established and maintained, work performed by the IA and EA, and reviews performed by management and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that the internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, were adequate and effective for the FY2018 after considering the needs of the Group in its current business development. Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. In assessing the need to establish a separate risk committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Board after having discussed with the members of the ARC and the Board members, resolved that the function of the risk committee is best carried out by the ARC with the assistance of the IA and in this connection in line with its enhanced role, the Audit Committee was renamed ARC in 2017.
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance and information technology, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Based on the internal controls established and maintained by the Group, work performed by the and IA and EA, and reviews performed by the Management, various Board Committees and the Board, the Board, in concurrence with the ARC, is the opinion that the Group's system of internal controls, which addresses the financial, operational, compliance and information technology controls and risk management systems, were adequate and effective during FY2018.

CORPORATE GOVERNANCE

	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the Chief Financial Officer that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2018.
Audit and Risk Committee		
12.1 12.3 12.4	What is the role of the ARC?	The ARC was tasked by the Board to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies. The duties and roles of the ARC is guided by the following key terms of reference: (a) assist the Board in discharge of its responsibilities on financial reporting matters; (b) review, with the EA and IA, the audit plans, scope of work, their evaluation of the system of internal accounting controls including financial, operational, compliance and information technology controls and risk management, their management letter and our management's response, and results of our audits compiled by the EA and IA; (c) review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;

		(d) review the effectiveness and adequacy of the internal control and procedures, addressing financial, operational, compliance and information technology risks and ensure co-ordination between IA and EA, and the management, review the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary); (e) review the scope and results of the external audit, and the independence and objectivity of the EA; (f) review and discuss with the EA any suspected fraud or irregularity, of suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response; (g) make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the EA, and approving the remuneration and terms of engagement of the EA; (h) review significant financial reporting issues and judgments with the CFO and the EA so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board; (i) review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the CFO and the IA and EA, including financial, operation, compliance and information technology controls via reviews carried out by the IA; (j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any); (k) review any potential conflicts of interest;

CORPORATE GOVERNANCE

		(l) review and approve all hedging policies and instruments (if any) to be implemented by the Group; (m) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARC; (n) review and establish procedures for receipt, retention and treatment of complaints received by the Group such as criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; (o) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and (p) generally undertake such other functions and duties as may be required by statute or the Catalist Rule, and by such amendments made thereto from time to time.
12.2	Are the members of the ARC appropriately qualified to discharge its responsibilities?	The ARC has at least two members, including the ARC Chairman, who have recent and relevant accounting and related financial management expertise and experience.
12.5	Has the ARC met with the auditors in the absence of key management personnel?	Yes, the ARC meets with the EA and IA at least once a year in the absence of key management personnel to review any matter that might be raised. The EA have unrestricted access to the ARC.

CORPORATE **GOVERNANCE**

<table>
<tr><td rowspan="3">12.6</td><td>Has the ARC reviewed the independence of the EA?</td><td>The ARC has reviewed the non-audit services provided by the EA as part of the ARC's assessment of the EA's independence.

The ARC is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the EA.

The ARC has recommended to the Board the re-appointment of Baker Tilly TFW LLP as auditors of the Company.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td><table>
<tr><td colspan="3"><i>Table 12.6(a) – Fees Paid/Payable to the EA for FY2018</i></td></tr>
<tr><td></td><td>S$</td><td>% of total</td></tr>
<tr><td>Audit fees</td><td>80,000</td><td>83</td></tr>
<tr><td>Non-audit fees
– Tax compliance</td><td>16,800</td><td>17</td></tr>
<tr><td>Total</td><td>96,800</td><td>100</td></tr>
</table></td></tr>
<tr><td>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the ARC's view on the independence of the EA.</td><td>The ARC has reviewed the independence of the EA annually. The ARC has conducted an annual review of the volume of non-audit services provided by the EA to satisfy the ARC that the nature and extent of such services will not prejudice the independence and objectivity of the EA. The ARC is satisfied with the EA's confirmation of their independence.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>The Company has incorporated a whistle-blowing policy. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the ARC Chairman:–

<table>
<tr><td>Name</td><td>Email Address</td></tr>
<tr><td>Lee Dah Khang</td><td>gs@whistleblow.com.sg</td></tr>
</table>
The ARC has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The details of the policy have also been disseminated and made available to all parties concerned in the Company's code of conduct.

There were no reported incident pertaining to whistle-blowing for FY2018.</td></tr>
</table>

12.8	What are the ARC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	The ARC keeps abreast of relevant changes to accounting standard and other issue through attendance at relevant seminars or talks, articles and news circulated by the management and updates by the EA and IA at ARC meetings.
12.9	Are any of the members of the ARC (i) a former partner or director of the Company's existing auditing firm or auditing corporation within the previous 12 months and (ii) hold any financial interest in the auditing firm or auditing corporation?	None of the members of the ARC (i) is a former partner or director of the Company's existing auditing firm or auditing corporation within the previous 12 months and (ii) holds any financial interest in the auditing firm or auditing corporation.
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The Company's internal audit function is outsourced to BDO LLP that reports directly to the ARC Chairman and administratively to the CEO and CFO. The ARC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The ARC is satisfied that the IA is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

CORPORATE **GOVERNANCE**

Shareholders' Rights		
14.1	The Company should facilitate the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the company's shares.	The Company's corporate governance practices promote the fair and equitable treatment to all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, as well as through the AGM especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares, so as to enable shareholders to make informed decisions in respect of their investments in the Company.
14.2	The Company should ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders should be informed of the rules, including voting procedures, that govern general meetings of shareholders.	Shareholders are informed of general meetings through reports or circulars sent to all shareholders in addition to notices published in the newspapers, Company's announcements via SGXNET. In order to provide ample time for the shareholders to review, the notice of general meetings, together with the Annual Report, is despatched to all shareholders at least 14 days (if no special resolution) before the scheduled meeting date. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting process, are explained by the scrutineers at such general meetings.
14.3	The Company should allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.	Shareholders may appoint up to two proxies to attend and vote on their behalf. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies Act, shareholders who are relevant intermediaries includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund Board which purchases shares on behalf of the Central Provident Fund investors are allowed to appoint more than two proxies to attend, speak and vote at general meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by the relevant shareholder.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Communication with Shareholders		
15.1	Does the Company have an investor relations policy?	The Company does not have an Investor Relations Policy in place. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Act. There is no dedicated investor relations team in place as the Board was of the view that the current communication channels are sufficient and cost-effective. Shareholders of the Company receive the annual reports and notices of AGMs which are also advertised in the newspapers within the prescribed deadlines prior to the AGMs. The Board encourages shareholders' participation at the AGMs and periodically communicates with Shareholders through SGXNET throughout the financial year. Similarly, Shareholders receive the circulars and notices of Extraordinary General Meetings ("**EGMs**") which are advertised in the newspapers within the prescribed deadlines prior to the EGMs.

CORPORATE **GOVERNANCE**

15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group. Information will first be disseminated through SGXNET and where relevant, followed by news release and the Company's website. The Company will also make announcements from time to time to update investors and shareholders on developments that are of interest to them. The Company strives to supply shareholders with reliable and timely information so as to strengthen the relationship with its shareholders based on trust and accessibility.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	No, the Company's investor relations function is led by CFO who has the strategic management responsibility to integrate finance, accounting, corporate communication to enable effective communication between the Company and all shareholders, stakeholders, analysts and media.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website. The Company have procedures in place for responding to investors' queries.

CORPORATE GOVERNANCE

15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, in considering dividend declaration, the Company will take into account the following factors: (a) Group's financial position, results of operations and cash flow; (b) ability of the subsidiaries to make dividends payments to the Company; (c) expected working capital requirements to support Group's future growth; (d) actual and projected financial performance; (e) general economic conditions and such other external factors that the Directors believe to have an impact on the business operations of the Group; and (f) any other factors deemed relevant by the Directors at the material time.
	Is the Company is paying dividends for the financial year? If not, please explain why.	The Board has not declared or recommended any dividend for FY2018 as the Company was not profitable for FY2018.

CORPORATE **GOVERNANCE**

CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company encourage shareholders to participate effectively and vote at general meetings of the Company. Shareholders are informed of shareholders' meetings through notices published in the newspapers and notice of meetings, together with explanatory notes or circular, sent to all shareholders on a timely basis. All registered shareholders are invited to attend and participate actively in the general meetings and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed resolutions. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. All resolutions are put to vote by poll, and the results of the poll voting on each resolution tabled at general meeting, including the number of votes cast for and against of each resolution and the respective percentages, are announced after each general meeting, via SGXNET.

CORPORATE GOVERNANCE

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
712, 715 or 716	Appointment of auditors	The Company confirms its compliance to the Catalist Rules 712 and 715 in the appointment of its auditors.
1204(8)	Material contracts	Save as announced on SGXNET, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	The Board and the ARC are of the opinion that the internal controls and risk management systems are effective and adequate to address the financial, operational, compliance and information technology risks based on the following: • internal controls and the risk management system established by the Company; • work performed by the IA and EA; • assurance from the CEO and CFO; and • reviews done by the various Board Committees and key management personnel.
1204(10C)	ARC's comment on Internal Audit Function	The AC is satisfied that the Company's internal audit function is • sufficiently independent to carry out its role; • conducted effectively as Management has provided full co-operation to enable Internal Auditors to perform its function; • adequately resourced to perform the work for the Group; and • has the appropriate standing within the Company.

CORPORATE **GOVERNANCE**

<table>
<tr>
<td>1204(17)</td>
<td>Interested persons transaction ("IPT")</td>
<td>
<p>The Group has procedures governing all IPT to ensure that they are properly documented and reported on a timely manner to the ARC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p>
<p>The following are IPTs with value more than S$100,000 transacted during FY2018.</p>
<table>
<tr><th>Name of Interested Person</th><th>Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th><th>Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)</th></tr>
<tr><td></td><td>S$'000</td><td>S$'000</td></tr>
<tr><td>Han Kou Wei Pte Ltd</td><td>584(1)</td><td>145(1)</td></tr>
<tr><td>Hawker Management Pte Ltd</td><td>–</td><td>651(2)</td></tr>
</table>
<p>Notes:</p>
<p>(1) S$584,000 relates to the rental paid/payable by Hao Kou Wei Pte Ltd pursuant to the supplemental lease agreements dated 1 November 2017, 1 May 2018 and 1 November 2018 to a lease agreement dated 1 December 2014. S$145,000 relates to cleaning services provided to the company, Hao Kou Wei Pte Ltd is wholly-owned by Ms. Ang Siew Hok, spouse of Company's Executive Chairman and Chief Executive Officer, Mr. Pang Pok.</p>
<p>(2) Relates to cleaning services provided to Hawker Management Pte Ltd, a wholly-owned subsidiary of Koufu Group Limited. Mr Pang Lim is the brother of Mr Pang Pok, the Company's Executive Chairman and Chief Executive Officer, holds more than 50.0% of the shares in Koufu Group Limited.</p>
</td>
</tr>
</table>

CORPORATE **GOVERNANCE**

<table>
<tr><td>1204(19)</td><td>Dealing in securities</td><td>The Company has adopted an internal policy which prohibits the Company, its Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers are also discouraged from dealing in the Company’s securities on short term considerations and are prohibited from dealing in the Company’s securities during the period beginning one month before the announcement of the Company’s half-year and full-year financial statements respectively, and ending on the date of the announcement of the relevant results.</td></tr>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>No non-sponsor fees were paid to its sponsor, UOB Kay Hian Private Limited, for FY2018.</td></tr>
<tr><td>1204(22)</td><td>Use of proceeds</td><td>Pursuant to the Company’s placement (“Placement”) of (i) 6,900,000 first tranche shares to Marvel Earn Limited and 1,120,000 shares to Chong Paw Long completed on 7 January 2019 as well as (ii) 18,655,555 second tranche shares to Marvel Earn Limited completed on 5 April 2019, the Company received net proceeds of approximately S$4.74 million (the “Net Proceeds”). Please refer to the Company’s announcement on the Placement dated 17 December 2018 for further details.

As at 5 April 2019, the Net Proceeds had been utilised as follows:
<table>
<tr><th>Purpose</th><th>Amount allocated (S$’000)</th><th>Amount utilised (S$’000)</th><th>Balance (S$’000)</th></tr>
<tr><td>Acquisition of companies and/or assets in the food and beverage business</td><td>3,792 (approximately 80% of Net Proceeds)</td><td>1,080</td><td>2,712</td></tr>
<tr><td>General working capital</td><td>950 (approximately 20% of Net Proceeds)</td><td>950*</td><td>0</td></tr>
<tr><td>Total</td><td>4,742</td><td>2,030</td><td>2,712</td></tr>
</table>
* For payment of the following:
<table>
<tr><th></th><th>S$’000</th></tr>
<tr><td>(1) Instalments for loans and borrowings in relation to past acquisition of property, plant and equipment</td><td>764</td></tr>
<tr><td>(2) Professional fees, audit fees, directors’ fees, and others</td><td>186</td></tr>
</table>
</td></tr>
</table>

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of GS Holdings Limited and its subsidiaries (the "Group") for the financial year ended 31 December 2018 and the statement of financial position and statement of changes in equity of GS Holdings Limited (the "Company") for the financial year ended 31 December 2018.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 74 to 130 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, after considering the matters as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Pang Pok	
Chow Kek Tong	
Lee Dah Khang	
Chong Eng Wee	(Appointed on 10 January 2019)
Liu Changsheng	(Appointed on 10 January 2019)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related companies as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Number of ordinary shares			
	Shareholdings registered in the name of directors		Shareholdings in which a director is deemed to have an interest	
Name of directors	**At 1.1.2018**	**At 31.12.2018**	**At 1.1.2018**	**At 31.12.2018**
The Company				
Pang Pok	28,260,000	48,190,000	50,000,000	50,000,000

By virtue of Section 7 of the Act, Pang Pok is deemed to have an interest in the shares held by the Company in its subsidiaries.

There was no change in the above-mentioned interest in the Company between the end of the financial year and 21 January 2019.

Share options

The GS Holdings Employee Share Option Scheme (the "GS Holdings ESOS") as well as a performance share plan known as the GS Holdings Performance Share Plan (the "GS Holdings PSP") were first approved and adopted by the members at the Shareholders' meeting held on 17 December 2015. The GS Holdings ESOS and GS Holdings PSP were renewed at the extraordinary general meeting held on 26 April 2018.

Both the GS Holdings ESOS and GS Holdings PSP are administered by Remuneration Committee comprising four directors, Chow Kek Tong, Lee Dah Khang, Chong Eng Wee and Liu Changsheng. The Chairman of the Remuneration Committee is Chow Kek Tong. A member of the Remuneration Committee who is also a participant of the GS Holdings ESOS and GS Holdings PSP will not be involved in its deliberation in respect of awards granted or to be granted to him.

The GS Holdings ESOS

Information regarding the GS Holdings ESOS is set out below:

(a) The exercise price of the options is determined by Market Price equal to the average of the last dealt prices for a Share on the Official List of the SGX-ST for the five (5) consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20%);

(b) The options vest 12 months after the grant date and expire ten years after vesting date unless cancelled or lapsed prior to that date.

DIRECTORS' STATEMENT

The GS Holdings ESOS (Continued)

There were no unissued shares of the Company or its subsidiary corporations under options granted by the Company or its subsidiary corporations as at the end of the financial year.

From the commencement of the GS Holdings ESOS to 31 December 2018, the Company has not granted any awards under the GS Holdings ESOS.

The GS Holdings PSP

The GS Holdings PSP contemplates the award of fully paid shares free of charge to participants after pre-determined performance or service conditions are accomplished. Awards granted under the GS Holdings PSP will be principally performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management and non-executive directors aimed at delivering long-term shareholder value.

The extension of the GS Holdings PSP to executive directors and employees of the Group and associated companies, including those who are Controlling Shareholders and their Associates and non-executive directors (including our Independent Directors) of the Group allows the Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of the Group.

The GS Holdings PSP shall continue in operation for a maximum period of 10 years commencing on the date on which the GS Holdings PSP is adopted, provided that the GS Holdings PSP may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The total number of shares which may be issued or transferred pursuant to the awards granted under the GS Holdings PSP, when added to (i) the number of shares issued or issuable and/or transferred or transferrable in respect of all awards granted thereunder; and (ii) all shares issued or issuable and/or transferred or transferrable under any other share incentive schemes adopted by the Company for the time being in force, shall not exceed 15% of the total issued share capital of the Company on the day preceding the relevant award date.

From the commencement of the GS Holdings PSP to 31 December 2018, the Company has not granted any awards under the GS Holdings PSP.

Audit and Risk Committee

The Audit and Risk Committee comprises three members, who are all independent directors. The members of the Audit and Risk Committee for the financial year and at the date of this report are:

Lee Dah Khang (Chairman)
Chow Kek Tong
Chong Eng Wee (Appointed on 10 January 2019)
Liu Changsheng (Appointed on 10 January 2019)

DIRECTORS' STATEMENT

Audit and Risk Committee (Continued)

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Act and performed the following functions:

(a) assist Board in the discharge of its responsibilities on financial reporting matters;

(b) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls including financial, operational, compliance and information technology controls and risk management, their management letter and our management's response, and results of audits compiled by internal and external auditors;

(c) review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;

(d) review the effectiveness and adequacy of our internal control and procedures, addressing financial, operational, compliance and information technology risks and ensure co-ordination between our internal and external auditors, and the management, review the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);

(e) review the scope and results of the external audit, and the independence and objectivity of the external auditors;

(f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(g) make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(h) review significant financial reporting issues and judgements with the Head of Finance and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before submission to Board of Directors;

(i) to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Head of Finance and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;

(j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

DIRECTORS' STATEMENT

Audit and Risk Committee (Continued)

(k) review any potential conflicts of interest;

(l) review and approve all hedging policies and instruments (if any) to be implemented by the Group;

(m) undertake such other reviews and projects as may be requested by Board and report to Board its findings from time to time on matters arising and requiring the attention of Audit and Risk Committee;

(n) review and establish procedures for receipt, retention and treatment of complaints received by the Group, such as criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;

(o) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and

(p) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The Audit and Risk Committee is satisfied with the independence and objectivity of the independent auditors and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Pang Pok Director	Lee Dah Khang Director

5 April 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GS Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 74 to 130, which comprise the statements of financial position of the Group and of the Company as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

During the financial year ended 31 December 2018, the Group and Company incurred a net loss of $3,542,876 (2017: $3,877,697) and $4,363,702 (2017: $2,047,871) respectively. At 31 December 2018, the Company's current liabilities exceeded its current assets by $3,453,376 (2017: $2,729,330). We draw attention to Note 3 to the financial statements where these conditions indicating the existence of a material uncertainty in respect to the Group's and Company's ability to continue as a going concern were disclosed.

The Directors have assessed and are of the view that it is appropriate for the financial statements of the Group and of the Company to be prepared on a going concern basis and the reasons and management's plans are disclosed in Note 3. Our opinion is not modified in respect of this matter.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the following other matters described below to be key audit matters to be communicated in our report.

Valuation of investment properties

Refer to Note 13 to the consolidated financial statements.

The carrying values of investment properties ("IP") amounted to $4,100,000 and represented 24% of the Group's total assets as at 31 December 2018. These investment properties are stated at their fair values based on independent professional valuations.

The valuation of investment properties require significant judgement and estimation. There is a risk that the investment properties may not be fairly stated if the valuation methodologies adopted and the key assumptions applied by the independent professional valuer ("Valuer") are not reasonable. A small change in the key assumptions applied by the Valuer can have a significant impact on the valuation.

Our procedures to address the key audit matter

We assessed the Group's process for selection of the Valuer, the determination of the scope of work of the Valuer, and the review and acceptance of the valuations reported by the Valuer. We have also read the terms of engagement of the Valuer with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We assessed the reasonableness of valuation technique used by the Valuer. For investment method used by the Valuer, we assessed the expected investment yield used in the valuation by comparing them against historical rental rates and negotiation with the current tenant. For direct comparison method, we compared the fair values provided by the Valuer to publicly available market prices.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

Impairment review of investment in subsidiaries

As disclosed in Notes 3 and 12 to the financial statements, the net carrying amount of the investment in subsidiaries is stated at $9,011,696, after deducting impairment loss of $4,059,520 as at 31 December 2018.

The assessment of recoverable amount of the Company's investments in subsidiaries is considered to be significant to our audit as it requires application of judgement and use of subjective assumptions by management.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Impairment review of investment in subsidiaries (Continued)

The Company has assessed the recoverable amount of its investments in subsidiaries based on value-in-use of the investment in subsidiaries using the discounted cash flow ("DCF") method. The use of the DCF involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. The DCF model also include assumptions on terminal growth rate and weighted average cost of capital ("WACC"). A small change in the assumptions can affect the recoverable amount of investment in subsidiaries determined based on value in use ("VIU").

Our procedures to address the key audit matter

We obtained an understanding of management's impairment policy and impairment assessment process.

We obtained management's assessment of the VIU of the investment and the key inputs to the DCF model which includes budgeted revenue, budgeted gross profit margin, budgeted expenditures and discount rates. We assessed these key inputs by comparing the budgets to recent performance and management plans as well as assessing the discount rates computation for reasonableness.

We obtained management's assessment of the VIU and evaluated the assessment for reasonableness.

We have also assessed the appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2018 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements (Continued)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chee Sum Gilbert.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

5 April 2019

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
Revenue	4	**8,451,040**	9,915,918
Cost of sales		**(9,430,207)**	(10,909,874)
Gross loss		**(979,167)**	(993,956)
Other income	5	**1,321,648**	1,134,115
Administrative expenses		**(3,366,064)**	(3,639,850)
Impairment losses on financial assets		**(106,477)**	–
Finance costs	6	**(412,816)**	(404,883)
Loss before tax	7	**(3,542,876)**	(3,904,574)
Tax credit	9	**–**	26,877
Loss and total comprehensive loss for the financial year		**(3,542,876)**	(3,877,697)
Loss and total comprehensive loss for the financial year attributable to			
Equity holders of the Company		**(3,551,417)**	(3,849,090)
Non-controlling interests		**8,541**	(28,607)
		(3,542,876)	(3,877,697)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic and diluted	10	**(2.69)**	(2.91)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2018

		Group			Company		
		31.12.2018	31.12.2017	1.1.2017	31.12.2018	31.12.2017	1.1.2017
	Note	$	$	$	$	$	$
Non-current assets							
Property, plant and equipment	11	1,833,896	11,363,420	12,262,039	-	136	253
Investment in subsidiaries	12	-	–	–	9,011,696	13,071,216	13,071,216
Investment properties	13	4,100,000	4,570,000	4,791,324	-	–	–
Total non-current assets		5,933,896	15,933,420	17,053,363	9,011,696	13,071,352	13,071,469
Current assets							
Inventories	14	18,070	39,328	117,121	-	–	–
Trade and other receivables	15	1,924,770	3,473,758	3,341,074	5,414,369	2,484,437	2,854,008
Cash and cash equivalents		1,327,766	751,571	1,065,165	1,169,442	35,418	230,299
		3,270,606	4,264,657	4,523,360	6,583,811	2,519,855	3,084,307
Non-current asset classified as held-for-sale	16	8,219,440	–	–	-	–	–
Total current assets		11,490,046	4,264,657	4,523,360	6,583,811	2,519,855	3,084,307
Total assets		17,423,942	20,198,077	21,576,723	15,595,507	15,591,207	16,155,776
Non-current liabilities							
Amount due to a director	17	-	3,000,000	–	-	1,420,000	–
Loans and borrowings	18	6,399,565	7,788,150	8,349,306	-	–	–
Total non-current liabilities		6,399,565	10,788,150	8,349,306	-	1,420,000	–
Current liabilities							
Trade and other payables	19	4,098,141	2,518,832	2,421,245	6,837,187	5,249,185	5,185,883
Amount due to a director	17	3,200,000	–	–	3,200,000	–	–
Loans and borrowings	18	3,187,709	3,809,692	3,847,072	-	–	–
Total current liabilities		10,485,850	6,328,524	6,268,317	10,037,187	5,249,185	5,185,883
Total liabilities		16,885,415	17,116,674	14,617,623	10,037,187	6,669,185	5,185,883
Net assets		538,527	3,081,403	6,959,100	5,558,320	8,922,022	10,969,893
Equity							
Share capital	20	11,498,420	11,498,420	11,498,420	11,498,420	11,498,420	11,498,420
Accumulated losses		(7,794,356)	(5,242,939)	(1,393,849)	(5,940,100)	(2,576,398)	(528,527)
Asset revaluation reserve		2,918,693	2,918,693	2,918,693	-	–	–
Merger reserve		(6,071,214)	(6,071,214)	(6,071,214)	-	–	–
Equity attributable to equity holders of the Company, total		551,543	3,102,960	6,952,050	5,558,320	8,922,022	10,969,893
Non-controlling interests		(13,016)	(21,557)	7,050	-	–	–
Total equity		538,527	3,081,403	6,959,100	5,558,320	8,922,022	10,969,893

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital $	Accumulated losses $	Asset revaluation reserve $	Merger reserve $	Total attributable to owners of the Company $	Non-controlling interests $	Total equity $
Group							
2018							
At 1 January 2018	**11,498,420**	**(5,242,939)**	**2,918,693**	**(6,071,214)**	**3,102,960**	**(21,557)**	**3,081,403**
Loss and total comprehensive loss for the financial year	**-**	**(3,551,417)**	**-**	**-**	**(3,551,417)**	**8,541**	**(3,542,876)**
Wavier of amount due to a director (Note 17)	**-**	**1,000,000**	**-**	**-**	**1,000,000**	**-**	**1,000,000**
At 31 December 2018	**11,498,420**	**(7,794,356)**	**2,918,693**	**(6,071,214)**	**551,543**	**(13,016)**	**538,527**
2017							
At 1 January 2017	11,498,420	(1,393,849)	2,918,693	(6,071,214)	6,952,050	7,050	6,959,100
Loss and total comprehensive loss for the financial year	–	(3,849,090)	–	–	(3,849,090)	(28,607)	(3,877,697)
At 31 December 2017	11,498,420	(5,242,939)	2,918,693	(6,071,214)	3,102,960	(21,557)	3,081,403

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital $	Accumulated losses $	Total equity $
Company			
2018			
At 1 January 2018	**11,498,420**	**(2,576,398)**	**8,922,022**
Loss and total comprehensive loss for the financial year	**-**	**(4,363,702)**	**(4,363,702)**
Wavier of amount due to a director (Note 17)	**-**	**1,000,000**	**1,000,000**
At 31 December 2018	**11,498,420**	**(5,940,100)**	**5,558,320**
2017			
At 1 January 2017	11,498,420	(528,527)	10,969,893
Loss and total comprehensive loss for the financial year	–	(2,047,871)	(2,047,871)
At 31 December 2017	11,498,420	(2,576,398)	8,922,022

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 $	2017 $
Cash flows from operating activities		
Loss before tax	**(3,542,876)**	(3,904,574)
Adjustments for:		
Amortisation of government grant	**(127,136)**	(114,436)
Impairment losses on financial assets	**106,477**	–
Bad debt expense	**32,763**	101,623
Depreciation	**1,361,993**	1,526,802
Interest expenses	**412,816**	404,883
Gain on disposal of property, plant and equipment	**(8,111)**	–
Property, plant and equipment written off	**3,619**	18,746
Fair value loss on investment properties	**515,296**	221,324
Operating cash flows before working capital change	**(1,245,159)**	(1,745,632)
Inventories	**21,258**	77,793
Receivables	**1,409,748**	(240,714)
Payables	**456,445**	212,023
Cash flows generated from/(used in) operations	**642,292**	(1,696,530)
Income tax refund	**–**	33,284
Net cash generated from/(used in) operating activities	**642,292**	(1,663,246)
Cash flow from investing activities		
Purchases of property, plant and equipment	**(69,417)**	(342,312)
Proceeds from disposal of property, plant and equipment	**22,000**	–
Additions to investment property	**(45,296)**	–
Net cash used in investing activities	**(92,713)**	(342,312)
Cash flow from financing activities		
Repayment of obligations under finance lease	**(452,030)**	(378,631)
Proceeds from finance lease	**–**	946,794
Proceeds from bank borrowings	**45,296**	–
Repayment of bank borrowings	**(1,603,834)**	(1,471,316)
Interest expense	**(412,816)**	(404,883)
Proceed from advances for shares placement	**1,250,000**	–
Loan from director	**1,200,000**	3,000,000
Net cash generated from financing activities	**26,616**	1,691,964
Net increase/(decrease) in cash and cash equivalents	**576,195**	(313,594)
Cash and cash equivalents at beginning of the financial year	**751,571**	1,065,165
Cash and cash equivalents at end of the financial year	**1,327,766**	751,571

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

GS Holdings Limited (the "Company") (Co. Reg. No. 201427862D) is incorporated and domiciled in Singapore and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office of the Company and principal place of business is at 8 Loyang Way 4, Singapore 507604.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are presented in Singapore dollar ("$"), which is the Company's functional currency. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

New and revised standards

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises the standards and interpretations that are identical to the International Financial Reporting Standards. As required by the listing requirements of Singapore Exchange ("SGX"), the Group has adopted SFRS(I) on 1 January 2018.

These financial statements for the financial year ended 31 December 2018 are the first set of financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I).

Under SFRS(I), these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group has also presented statement of financial position as at 1 January 2017, which is the date of transition to SFRS(I).

In addition to the adoption of the new framework, the Group also concurrently applied all new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are effective for the current financial year. The application of these new and revised SFRS(I) and SFRS(I) INT do not have a material effect on the financial statements.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

New and revised standards (Continued)

SFRS(I) 15 Revenue from Contracts with Customers (Continued)

The Group adopted SFRS(I) 15 in its financial statements for the financial year ended 31 December 2018 using the full retrospective approach.

At the date of initial application and 31 December 2018, the Group has assessed that the adoption of SFRS(I) 15 does not have any material impact to the financial position and results of the Group.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 replaces FRS 39 for annual periods beginning on or after 1 January 2018. It includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on expected credit loss model and replace FRS 39 incurred loss model.

The Group and the Company applied SFRS(I) 9 using a modified retrospective approach, with date of initial application on 1 January 2018. The Group and the Company have not restated the comparative information, which continues to be reported under FRS 39. Differences arising from the adoption of SFRS(I) 9 have been recognised directly in retained earnings and other components of equity as at 1 January 2018.

The impact upon adoption of SFRS(I) 9 as at 1 January 2018 was as follows:

(i) *Classification and measurement*

Under SFRS(I) 9, the Group and the Company classify its financial assets based on entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Group's and the Company's business model was made as of the date of initial application on 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

New and revised standards (Continued)

SFRS(I) 9 Financial Instruments (Continued)

(i) *Classification and measurement* (Continued)

The following are the changes in classification and measurement arising from adopting SFRS(I) 9:

- Loans and receivables [including trade and other receivables (excluding GST receivables and prepayments) and cash and cash equivalents] as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 January 2018.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's and Company's financial liabilities.

Loans and receivables have been reclassified to amortised cost as at 1 January 2018 upon the adoption of SFRS(I) 9.

(ii) *Impairment*

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its financial assets at amortised cost, either on a 12-month or lifetime basis. At the date of initial application and 31 December 2018, the Group and the Company have assessed that the adoption of SFRS(I) 9 does not have any material impact to the financial position and results of the Group and the Company.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting date but are not yet effective for the financial year ended 31 December 2018 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company except as disclosed below.

SFRS(I) 16 Leases

SFRS(I) 16 replaces the existing FRS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

New and revised standards (Continued)

SFRS(I) 16 Leases (Continued)

The Group plans to adopt the new standard on the required effective date using the modified retrospective approach and recognises any differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 16 at the date of initial application in the opening retained earnings as at 1 January 2019.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $1,525,317 (Note 23). The Group expect to recognise right-of-use assets of approximately $1,130,000 and lease liabilities of approximately $1,130,000 on 1 January 2019.

The Group's activities as a lessor are not material and the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required in the financial statements upon adoption of the standard.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting date. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. Under this method, the Company has been treated as the holding company of the subsidiaries as if the combination had occurred from the date the subsidiaries first came under the control of the same shareholders. Accordingly, the results of the Group include the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of consolidation (Continued)

Pursuant to this:

- Assets and liabilities are reflected at their existing carrying amounts;
- No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- No additional goodwill is recognised as a result of the combination;
- Prior to the issue of shares by the Company, the aggregate equity of the subsidiaries held directly by the Company is shown as the Group's equity for financial years under review; and
- Any difference between the consideration paid by the Company and the equity 'acquired' is reflected within the equity of the Group as merger reserve.

All other business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquirers net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

d) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight line basis to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	Years
Leasehold property	38
Vehicles	2 – 9
Machineries and equipment	3 – 6
Furniture and fittings	3
Crockeries	3
Renovations	3 – 10

NOTES TO THE **FINANCIAL STATEMENTS**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property, plant and equipment (Continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

e) Investment properties

Investment properties are properties that are either owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

f) Impairment of non-financial assets

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Impairment of non-financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

g) Financial assets

The accounting policy for financial assets before 1 January 2018 is as follows:

(i) Classification

The Group classifies its financial assets according to the nature of the assets and purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's only financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" (excluding GST receivables and prepayments) and "cash and cash equivalents" on the statements of financial position.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to profit or loss.

(iii) Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial assets (Continued)

The accounting policy for financial assets before 1 January 2018 is as follows (Continued):

(iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

(v) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

(vi) Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial assets (Continued)

The accounting policy for financial assets from 1 January 2018 onwards is as follows:

(i) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

(ii) Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group's only financial assets are loans and receivables.

The Group classifies its loans and receivables as amortised cost.

The classification is based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

(iii) Subsequent measurement

Debt instruments include cash and cash equivalents, trade and other receivables (excluding GST receivables and prepayments). These are subsequently measured at amortised cost based on the Group's business model for managing the asset and cash flow characteristics of the asset.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial assets (Continued)

The accounting policy for financial assets from 1 January 2018 onwards is as follows (Continued):

(iii) Subsequent measurement (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

(iv) Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial assets (Continued)

The accounting policy for financial assets from 1 January 2018 onwards is as follows (Continued):

(v) Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

h) Cash and cash equivalents in the consolidated statement of cash flows

For the purposes of presentation in the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

j) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

NOTES TO THE **FINANCIAL STATEMENTS**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and that the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

l) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

m) Revenue recognition

Rendering of dishwashing and automated cleaning services

The Group provides dishwashing services and automated cleaning services and solutions. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised when the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's cleaning services. The Group will bill customer on monthly basis in accordance to the billing terms in the sales contract and customers are required to pay within 15-60 days from the invoice date. No element of financing is deemed present. Revenue is recorded based on the contracted price in the sales invoice and sales contract. A receivable (financial asset) is recognised on monthly basis when the cleaning services are rendered over time and the consideration is unconditional because only the passage of time is required before payment is due.

Sale of equipment and crockeries

The Group sells equipment and crockeries. Revenue is recognised at the point in time when the goods are delivered to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation ("PO"). Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods. No element of financing is deemed present as the sales are made with a credit term of 15-60 days from invoice date. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Revenue recognition (Continued)

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

n) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

o) Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected loss computed using the impairment methodology under SFRS(I) 9. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

Prior to 1 January 2018, financial guarantees were subsequently measured at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases

When a Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the outstanding liability and finance costs. The corresponding lease obligations, net of finance costs, are included in loans and borrowings. The finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

When a Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

q) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Employee benefits (Continued)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

r) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the reporting date.

Deferred income tax is measured based on the tax consequence that will follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

NOTES TO THE **FINANCIAL STATEMENTS**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Functional and foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

t) Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

v) Non-current assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for sale.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the subsequent paragraphs).

Going concern

The Group and Company incurred a net loss from operations of $3,542,876 (2017: $3,877,697) and $4,363,702 (2017: $2,047,871) respectively. As at 31 December 2018, the Company's current liabilities exceeded its current assets by $3,453,376 (2017: $2,729,330) respectively.

These factors indicate the existence of material uncertainty that may cast doubt on the Group's and Company's ability to continue as going concerns and to realise its assets and discharge its liabilities in the ordinary course of business.

The directors are satisfied that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2018 is appropriate after taking into consideration the following factors:

(i) Subsequent to end of the financial year, the Group received additional $3.6 million from the placement exercise;

(ii) On 17 December 2018, the Company announced that it had entered into a Placement and Convertible Loan Introducer Agreement with an Introducer, pursuant to which the Company shall issue 50,000,000 warrants ("Introducer Warrants") to the Introducer as consideration for the introductory services provided by the Introducer for the placement and loan facilities as announced on 17 December 2018. The Introducer Warrants can be converted into the Company's ordinary shares at an exercise price of $0.18 for each warrant. The Introducer Warrants may be exercised at any time during the period commencing on and including the date of issue of the warrants and expiring at 5.00 p.m. on the market day immediately preceding the second anniversary of the date of issue of the Introducer Warrants. Assuming all the Introducer Warrants are exercised by the Introducer, the Company will receive approximately $9 million from the conversion of the Introducer Warrants into the Company's ordinary shares;

(iii) On 7 March 2019, the Company announced that it has entered into a Loan Capitalisation and Repayment Agreement with Mr Pang Pok, the Company's Executive Chairman and Chief Executive Officer ("Mr Pang"). One of the terms stated in the Agreement is that the Company will issue and allot 11,764,705 free warrants to Mr Pang, subject to relevant Shareholders' approval being obtained in an Extraordinary General Meeting to be held on 26 April 2019. The warrants can be converted into the Company's ordinary shares at an exercise price of $0.255 for each warrant. The warrants may be exercised at any time during the period commencing on and including the date of issue of the warrants and expiring at 5.00 p.m. on the market day immediately preceding the second anniversary of the date of issue of the warrants. Assuming all the warrants will be exercised by Mr Pang, the Company may receive approximately $3 million from the conversion of the warrants into the Company's ordinary shares;

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the entity's accounting policies (Continued)

Going concern (Continued)

(iv) The Group intends to dispose its only leasehold property by the end of financial year ending 31 December 2019. Based on an independent valuation report dated 29 January 2019, the open market value of the property is approximately $8.5 million. Assuming the Group is able to sell the property at $8.5 million, the Group will receive approximately $3.5 million (net of repayment of outstanding borrowings that are mortgage over the Group's leasehold property);

(v) On 1 April 2019, the Company announced that it has completed the acquisition of Hao Kou Wei Pte. Ltd. ("**HKW**"). The profit before taxation of HKW for its audited financial results for the financial year ended 31 December 2017 and unaudited financial results for the financial year ended 31 December 2018 were approximately $628,000 and $580,000 respectively. The directors believe that HKW would bring positive contributions to the Group's revenue, earnings and cash flow for the financial year ending 31 December 2019; and

(vi) The Group is able to improve its cash flows generated from its operations based on the Group's current business outlook.

Management has taken the following measures to improve the Group's operational performance and financial position:

(i) Adopt a disciplined capital allocation and constant review of capital expenditure plans so as to manage a balanced project portfolio to mitigate risks and optimise profitability for all existing projects;

(ii) Strengthen current customers' base with new customers in other food and beverage sector, and foster closer customer relationship by providing quality services to customers;

(iii) Continuously seek improvements in the efficiency of the Group's centralised dishwashing process through enhancements and re-engineering of the workflow process; and

(iv) Focus on reduction of direct labour related costs through close monitoring of the Group's manpower requirements.

After considering the measures taken described above, the directors believe that they have adequate resources to continue its operations as a going concern.

For these reasons, the financial statements have been prepared on the assumptions that the Group and Company will continue as going concerns. The financial statements did not include any adjustments that may result in the event that the Group and Company are unable to continue as a going concern. In the event that the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of investment properties

The Group's investment properties are stated at estimated fair values based on the valuation performed by independent firm of professional valuers. In determining fair values, the valuers have based their valuation on methods of valuation which involves certain estimates, including comparison with sale transactions of similar properties and expected future income stream to be achieved from the property. The valuation methodologies, significant inputs used and details of the properties are disclosed in Note 13 to the financial statements. As at 31 December 2018, the carrying amount of investment properties is $4,100,000 (2017: $4,570,000).

Impairment of non-financial assets

At each reporting date, the Group assesses whether there are any indications of impairment for all non-financial assets. The Group also assesses whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset, other than goodwill, may no longer exist or may have decreased.

If any such indication exists, the Group estimates the recoverable amount of that asset or the cash-generating unit ("CGU") to which the asset belongs. The identification of CGU, assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amount of the CGU require judgement. An impairment loss exists when the carrying value of an asset (or CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's property, plant and equipment are disclosed in Note 11. Details of the key assumptions applied in the Company's impairment assessment of its investment in subsidiaries and the carrying amounts of the investments are disclosed in Note 12. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

NOTES TO THE **FINANCIAL STATEMENTS**

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

non-Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at reporting date are disclosed in Note 24.

4 REVENUE

The following table provides a disaggregation disclosure of the Group's revenue by primary major customer types and timing of revenue recognition.

Group

	Dishwashing and cleaning services $	Sales of equipment and cockeries $	Rental of equipment $	Total $
2018				
Major customer types				
Coffeeshops and Hawker Centres	**3,540,562**	**3,848**	**3,161**	**3,547,571**
Restaurants	**4,844,448**	**140**	**3,780**	**4,848,368**
Others	**3,000**	**636**	**51,466**	**55,102**
	8,388,010	**4,624**	**58,407**	**8,451,041**
Timing of revenue recognition				
At a point in time	**-**	**4,624**	**-**	**4,624**
Over time	**8,388,010**	**-**	**58,407**	**8,446,417**
	8,388,010	**4,624**	**58,407**	**8,451,041**
2017				
Major customer types				
Coffeeshops and Hawker Centres	7,175,345	80,352	1,717	7,257,414
Restaurants	2,219,338	190,872	14,733	2,424,943
Others	148,602	25,255	59,704	233,561
	9,543,285	296,479	76,154	9,915,918
Timing of revenue recognition				
At a point in time	–	296,479	–	296,479
Over time	9,543,285	–	76,154	9,619,439
	9,543,285	296,479	76,154	9,915,918

4 REVENUE (CONTINUED)

Transaction price allocated to the remaining performance obligations

The table below discloses revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	2019 $	2020 $	2021 $	2022 $	Total $
Dishwashing and cleaning services	6,760,205	6,167,943	434,853	319,000	13,682,001

The transaction price above does not include variable consideration that is constrained.

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

5 OTHER INCOME

	Group	
	2018 $	2017 $
Government grants	**660,602**	413,304
Rental income	**600,800**	600,000
Others	**60,246**	120,811
	1,321,648	1,134,115

6 FINANCE COSTS

	Group	
	2018 $	2017 $
Interest expense:		
– finance lease	**56,856**	46,097
– term loans	**355,960**	358,786
	412,816	404,883

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

7 LOSS BEFORE TAX

	Group	
	2018	**2017**
	$	**$**
Loss before tax is stated after charging/(crediting):		
Auditors' remuneration paid/payable to the auditor of the Company:		
– Current year	**80,000**	80,000
– Overprovision of prior years	**–**	(40,000)
Non-audit services paid/payable to the auditor of the Company	**16,892**	29,000
Bad debt expense	**32,763**	101,623
Casual labour	**565,294**	1,055,745
Depreciation of property, plant and equipment (Note 11)	**1,361,993**	1,526,802
Director fees	**158,000**	180,339
Fair value loss on investment properties (Note 13)	**515,296**	221,324
Gain on disposal of property, plant and equipment	**(8,111)**	–
Impairment losses on financial assets	**106,477**	–
Personnel expenses (Note 8)	**5,451,691**	6,911,365
Property, plant and equipment written off	**3,619**	18,746
Rental expense	**607,870**	699,568
Subcontractor expenses	**1,686,903**	555,187
Utilities	**768,402**	644,938

8 PERSONNEL EXPENSES

	Group	
	2018	**2017**
	$	**$**
Staff costs:		
– Salaries and bonus	**5,157,676**	6,427,502
– Defined contribution plans	**294,015**	483,863
	5,451,691	6,911,365

9 TAX CREDIT

	Group	
	2018	**2017**
	$	**$**
Income tax		
– Overprovision in prior years	–	(26,877)

9 TAX CREDIT (CONTINUED)

The income tax credit on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax due to the following factors:

	Group	
	2018	2017
	$	$
Loss before tax	**(3,542,876)**	(3,904,574)
Tax calculated at a tax rate of 17%	**(602,289)**	(663,778)
Expenses not deductible for tax purposes	**20,593**	91,119
Income not subject to tax	**(61,937)**	(44,549)
Overprovision of taxation in prior years	**-**	(26,877)
Utilisation of previously unrecognised tax losses	**(3,226)**	–
Deferred tax assets not recognised for the financial year	**646,859**	617,208
	-	(26,877)

At 31 December 2018, the Group has unrecognised unutilised tax losses, unutilised capital allowances and deferred capital allowances of approximately $9,927,000 (2017: $7,293,000), $550,000 (2017: $550,000) and $2,473,000 (2017: $1,353,000) available for carry forward to set off against future taxable profits subject to agreement by the tax authority and compliance with relevant provisions of the Singapore Income Tax Act. Deferred tax assets have not been recognised on these unutilised tax losses and capital allowances in the financial statements as it is not probable that future taxable income will be sufficient to allow the unutilised tax losses to be realised.

10 LOSS PER SHARE

The calculation of loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2018	2017
	$	$
Loss attributable to equity holders of the Company	**(3,551,417)**	(3,849,090)
Weighted average number of ordinary shares	**132,000,000**	132,000,000
Loss per share (cents per share) - Basic and diluted	**(2.69)**	(2.91)

The Company did not hold any potential dilutive ordinary shares during the financial year (2017: $Nil).

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property $	Vehicles $	Machineries and equipment $	Furniture and fittings $	Crockeries $	Renovations $	Total $
Group							
2018							
Cost							
At 1.1.2018	8,203,200	812,179	3,282,282	947,974	667,548	1,233,997	15,147,180
Additions	-	-	64,755	-	-	4,662	69,417
Disposals	-	-	(20,000)	-	-	-	(20,000)
Write off	-	-	(5,000)	(2,300)	-	-	(7,300)
Transfer to non-current asset classified as held-for-sale (Note 16)	(8,203,200)	-	-	-	-	(1,219,156)	(9,422,356)
At 31.12.2018	-	812,179	3,322,037	945,674	667,548	19,503	5,766,941
Accumulated depreciation							
At 1.1.2018	399,271	175,790	1,744,791	780,772	309,831	373,305	3,783,760
Depreciation charge	217,784	91,877	525,833	77,160	222,517	226,822	1,361,993
Disposals	-	-	(6,111)	-	-	-	(6,111)
Write off	-	-	(1,528)	(2,153)	-	-	(3,681)
Transfer to non-current asset classified as held-for-sale (Note 16)	(617,055)	-	-	-	-	(585,861)	(1,202,916)
At 31.12.2018	-	267,667	2,262,985	855,779	532,348	14,266	3,933,045
Net carrying value							
At 31.12.2018	-	544,512	1,059,052	89,895	135,200	5,237	1,833,896

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold property $	Vehicles $	Machineries and equipment $	Furniture and fittings $	Crockeries $	Renovations $	Total $
Group							
2017							
Cost							
At 1.1.2017	8,203,200	500,861	3,260,295	978,548	814,683	1,037,433	14,795,020
Additions	–	311,318	143,899	173,381	291	18,040	646,929
Write off	–	–	(132,412)	(25,431)	(136,926)	–	(294,769)
Reclassification	–	–	10,500	(178,524)	(10,500)	178,524	–
At 31.12.2017	8,203,200	812,179	3,282,282	947,974	667,548	1,233,997	15,147,180
Accumulated depreciation							
At 1.1.2017	181,486	100,356	1,219,708	836,156	174,658	20,617	2,532,981
Depreciation charge	217,785	75,434	651,603	98,745	259,492	223,743	1,526,802
Write off	–	–	(128,103)	(25,184)	(122,736)	–	(276,023)
Reclassification	–	–	1,583	(128,945)	(1,583)	128,945	–
At 31.12.2017	399,271	175,790	1,744,791	780,772	309,831	373,305	3,783,760
Net carrying value							
At 31.12.2017	7,803,929	636,389	1,537,491	167,202	357,717	860,692	11,363,420

	Furniture and fittings 2018 $	 2017 $
Company		
2018		
Cost		
At 1 January	**350**	350
Write off	**(350)**	–
At 31 December	**–**	350
Accumulated depreciation		
At 1 January	**214**	97
Depreciation charge	**107**	117
Write off	**(321)**	–
At 31 December	**–**	214
Net carrying value		
At 31 December	**–**	136

NOTES TO THE **FINANCIAL STATEMENTS**

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $69,417 (2017: $646,929) of which $nil (2017: $304,617) was financed by means of finance leases.

(ii) The carrying amount of machineries, equipment and vehicles held under finance leases at the end of the reporting period were $1,404,080 (2017: $1,797,920) of which $736,089 (2017: $947,599) were existing machineries mortgaged to secure the Company's finance lease during the financial year.

Leased assets are pledged as security for the related finance lease liabilities.

(iii) During the financial year, the Group and Company decided to dispose its leasehold property, 8 Loyang Way 4 Singapore 507604, through a sale transaction. The property is available for immediate sale in its present condition. As the sale of property is expected to be completed within twelve months from the end of the financial year, its carrying value of $8,219,440 has been reclassified from "leasehold properties and renovations" under "property, plant and equipment" (non-current asset) to "non-current asset classified as held-for-sale" (current asset) as at 31 December 2018 (Note 16).

(iv) The Group's leasehold property above mentioned in (iii) with a carrying amount of $8,219,440 (2017: $7,803,929) are mortgaged to secure the Group's bank loan of $4,942,437 (2017: $5,154,376) (Note 18).

(v) At the reporting date, the Group continues to operate at a loss. As this indicates that the Group's property, plant and equipment may be impaired, an assessment of the recoverable amount of the property, plant and equipment was performed.

The Group had identified GreatSolutions Pte. Ltd. as the CGU. The recoverable amount is determined based on its value in use. The value in use calculation uses discounted cash flow projections which take into account management's assumptions and estimates of revenue growth, gross profit margin and a pre-tax discount rate estimated based on industry average weighted-average cost of capital. Any changes to the assumptions and estimates applied by management would affect the recoverable amount of the assets. Based on the above value in use calculation, no impairment loss need to be recognised in profit or loss.

12 INVESTMENT IN SUBSIDIARIES

	Company	
	2018	**2017**
	$	**$**
Unquoted equity shares, at cost		
At 1 January	**13,071,216**	13,071,216
Less: Impairment losses		
Impairment loss and balance at end of the financial year	**(4,059,520)**	–
At 31 December	**9,011,696**	13,071,216

NOTES TO THE FINANCIAL STATEMENTS

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(i) Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest 2018 %	Proportion of ownership interest 2017 %
Held by the Company				
Hawkerway Pte. Ltd.*	Singapore	Letting and operating of food courts, coffee shops and eating house	**100**	100
GreatSolutions Pte. Ltd.*	Singapore	Dishwashing services and automated cleaning services and solutions	**100**	100
GS Cleaning Services Pte. Ltd.*	Singapore	Cleaning services and landscape care and maintenance services	**100**	100
GS Equipment Supply Pte. Ltd.*	Singapore	Sale of dishwashing and other equipment/machinery; and rental of equipment/machinery and tangible goods	**100**	100
GS Stewarding Services Pte. Ltd.*	Singapore	Installation of dishwashing machines and other equipment and mechanical engineering works; and repair, servicing and maintenance of dishwashing machines and other equipment	**100**	100
Held through GreatSolutions Pte. Ltd.				
GS Hospitality Services Pte. Ltd.*	Singapore	Cleaning services including hotel-related dishwashing	**55**	55

* Audited by Baker Tilly TFW LLP.

(ii) At the end of the reporting period, there are no subsidiaries with non-controlling interests that are considered by management to be material to the Group. Accordingly, the summarised financial information of the subsidiaries is not being disclosed.

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(iii) Company level – Impairment assessment of investment in subisidaries

During the financial year, management performed an impairment test for the Company's investments in GreatSolutions Pte. Ltd. ("GS") as this subsidiary had been persistently making losses in past financial years. The recoverable amount of the investment in GS has been determined based on a value-in-use calculation using cash flow projections from forecasts approved by management covering a five-year period. The discount rate applied to the cash flow projection and the forecasted growth rate used to extrapolate cash flow projections beyond the five-year period are 14.5% (2017: 15.41%) and 1.5% (2017: 1.5%) respectively. An impairment loss of $4,000,001 (2017: $Nil) was recognised for the financial year ended 31 December 2018 to write down this subsidiary to its recoverable amount of $Nil (2017: $4,000,001).

During the financial year, management performed an impairment test for the Company's investments in GS Stewarding Services Pte. Ltd. ("GS Stewarding") as this subsidiary had been persistently making losses in past financial years. There is no expected business plan for the subsidiary that will improve the financial position and the results of the subsidiary. An impairment loss of $59,519 (2017: $Nil) was recognised for the financial year ended 31 December 2018 to write down this subsidiary to its recoverable amount of $Nil (2017: $59,519).

13 INVESTMENT PROPERTIES

	Group	
	2018	**2017**
	$	**$**
At 1 January	**4,570,000**	4,791,324
Addition to investment property	**45,296**	–
Fair value loss recognised in profit or loss	**(515,296)**	(221,324)
At 31 December	**4,100,000**	4,570,000

The following amounts are recognised in profit or loss:

	Group	
	2018	**2017**
	$	**$**
Rental income	**600,800**	600,000
Direct operating expenses arising from an investment property that generated rental income	**69,805**	78,106
Direct operating expenses arising from an investment property that did not generate rental income	**-**	3,041

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

13 INVESTMENT PROPERTIES (CONTINUED)

Investment properties held by the Group as at 31 December 2018 are as follows:

Properties	Description	Location	Existing use	Tenure
Property 1	A single-storey eating house with mezzanine office	16A Sungei Kadut Way, Singapore 728794	Commercial	Leasehold, 23 years
Property 2	A ramp-up factory unit	7 Mandai Link #03-40 Mandai Connection Singapore 728653	Commercial	Leasehold, 30 years

At 31 December 2018, the fair values of these properties are determined based on the property's highest-and-best-use valuation performed by an independent professional valuer, Premas Valuers & Property Consultants Pte Ltd.

Property 1

The Investment Method of valuation was adopted based on the present worth of the expected future income stream in the form of the estimated net profit rental value and capitalised at an appropriate investment yield. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

Property 2

The Direct Comparison Method of valuation was adopted whereby sale transactions of comparable properties have been taken into consideration with regards to the location, tenure, age, size, floor level, design, layout, condition and standard of finishes amongst other factors. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

The following table shows the significant unobservable inputs used in the valuation methods:

Description	Fair value $	Valuation technique	Significant unobservable input	Range
Property 1	3,600,000	Investment method	Discount rate(1)	3%
			Rental growth rate(2)	3%
Property 2	500,000	Direct comparison method	Price per square metre(2)	$3,185

(1) Any significant isolated increases/(decreases) in the significant unobservable input would result in a significantly lower/(higher) fair value measurement.

(2) Any significant isolated increases/(decreases) in the significant unobservable input would result in a significantly higher/(lower) fair value measurement.

Properties pledged as security

Investment properties amounting to $4,100,000 (2017: $4,570,000) are mortgaged to secure bank borrowings (Note 18).

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

14 INVENTORIES

	Group	
	2018	**2017**
	$	**$**
Finished goods	**18,070**	39,328

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Trade receivables				
– third parties	**1,150,239**	2,515,231	**–**	–
– related parties	**62,380**	53,500	**–**	–
– subsidiaries	**–**	–	**3,405,168**	2,270,112
Less: Impairment losses				
– third parties	**(106,477)**	–	**–**	–
– subsidiaries	**–**	–	**(2,213,076)**	(1,970,400)
	1,106,142	2,568,731	**1,192,092**	299,712
Non-trade amounts due from subsidiaries	**–**	–	**4,227,983**	2,182,483
Less: Impairment losses	**–**	–	**(116,683)**	–
Non-trade amounts due from related parties	**50,921**	68,137	**–**	–
Advances to customers	**163,081**	465,227	**–**	–
Deposits	**148,176**	180,882	**–**	–
Other receivables	**230,714**	34,895	**–**	–
Prepayments	**225,736**	155,886	**110,977**	2,242
	818,628	905,027	**4,222,277**	2,184,725
	1,924,770	3,473,758	**5,414,369**	2,484,437

The non-trade amounts due from subsidiaries and related parties are interest-free, unsecured and payable on demand.

The advances to customers is non-trade in nature, unsecured, interest-free and has no fixed terms of repayment.

16 NON-CURRENT ASSETS HELD FOR SALE

During the financial year, the Company decided to sell its leasehold property, 8 Loyang Way Singapore 507604 ("property"), and has started to actively seek for buyer for the property. As the property is expected to be disposed within 12 months from the end of the financial year, its carrying value of $8,219,440 has been reclassified from "leasehold property and renovations" under "property, plant and equipment" (non-current asset) and to as "non-current asset classified as held-for-sale" (current asset) in the statements of financial position as at 31 December 2018.

The property was previously occupied by the Group for operational use. The Group currently does not need to conduct any operations at the property and the property is considered a non-core asset. The Group intends to dispose the property to provide additional working capital for the Group and to reduce the Group's borrowings.

The property is held as security for the Group's bank loan amounting to $4,942,437 (2017: $5,154,376) (Note 18) as at both financial year ends.

17 AMOUNT DUE TO A DIRECTOR

The amount due to a director arose from the restructuring exercise for which the director had executed an undertaking to the Group that in the event the Group incurs an operating loss for its audited financial results of financial year ending 31 December 2017 and 31 December 2016, the director shall disburse an interest-free loan to the Group. In the event the Group incurs an operating loss for year ended 31 December 2018, the director shall immediately forgive the loan in its entirety. If the Group records an operating profit for its audited financial results for the financial year ending 31 December 2018, the Audit Committee shall decide on the repayment terms of the amount, provided that the Audit Committee confirms the working capital of the Group is sufficient for the next 12 months after any such repayment of the loan or any part thereof to the director.

As the Group has incurred an operating loss for the financial year ended 31 December 2018, the director has forgiven the outstanding amount of $1,000,000 and the amount has been recognised as waiver of loan by a director in the consolidated statement of changes in equity of the Group and changes in equity of the Company.

During the financial year, the director also provided an additional loan of $1,200,000 to the Group for working capital purposes.

The balance of the amount due to the director of $3.2 million was reclassified to current liabilities as the Company intends to settle the amount within the next 12 months in the following manner, subject to Shareholders' approval being obtained in an Extraordinary General Meeting to be held on 26 April 2019:

(a) $3.0 million to be paid by way of issuance and allotment of Company's 11,764,705 ordinary shares at a conversion price of $0.255 per share; and

(b) $0.2 million to be paid in cash.

The Company will also issue and allot such number of free warrants at an exercise price of $0.255 to the director. The number of free warrants to be issued to the director shall be on the basis of 1 free warrant for each conversion share issued to the director.

18 LOANS AND BORROWINGS

		Group	
		2018	**2017**
	Maturity	**$**	**$**
Non-current			
Loan 1 – Singapore Interbank Offerred Rate ("SIBOR") plus 3.00% per annum ("p.a.")	2020 – 2022	**94,041**	131,187
Loan 2 – SIBOR plus 1.28% p.a.	2020 – 2028	**319,082**	303,648
Loan 5 – 3-month SIBOR plus 4.00% p.a.		**–**	76,471
Loan 6 – Bank prevailing enterprise financing rate	2020 – 2036	**4,714,989**	4,990,356
Loan 8 – Higher of 3.00% p.a. over 3-month Swap Offer Rate or 3.00% p.a. over the prevailing 3-month Cost of Funds	2020	**653,968**	1,274,761
Obligations under finance lease	2020 – 2024	**617,485**	1,011,727
		6,399,565	7,788,150
Current			
Loan 1 – SIBOR plus 3.00% p.a.		**37,377**	38,026
Loan 2 – SIBOR plus 1.28% p.a.		**29,482**	27,834
Loan 3 – 2.20% per annum above the 6-month Swap Offer Rate and prevailing 1 or 3-month SIBOR plus 4.00% p.a.		**1,800,000**	2,200,000
Loan 4 – 3-month SIBOR plus 3.00% p.a.		**–**	90,959
Loan 5 – 3-month SIBOR plus 4.00% p.a.		**76,574**	169,273
Loan 6 – Bank prevailing enterprise financing rate		**227,448**	164,020
Loan 7 – 0.88% over the Bank's Business Board Rate		**–**	41,765
Loan 8 – Higher of 3.00% p.a. over applicable 3-month Swap Offer Rate or 3.00% p.a. over the prevailing 3-month Cost of Funds		**622,589**	598,165
Loan 9 – 0.50% p.a. above the prevailing Bank's Business Instalment Loan Board Rate		**–**	27,623
Obligations under finance lease		**394,239**	452,027
		3,187,709	3,809,692
		9,587,274	11,597,842
Representing loans (excluding obligations under finance lease):			
– Non-current		**5,782,080**	6,776,423
– Current		**2,793,470**	3,357,665
		8,575,550	10,134,088

18 LOANS AND BORROWINGS (CONTINUED)

The loans are secured by:

(i) legal mortgage over the Group's investment properties (Note 13);
(ii) assignment of rental proceeds and all rights of the tenancy agreements;
(iii) legal mortgage over the Group's leasehold property (Note 11 and Note 16);
(iv) corporate guarantee from holding company and fellow subsidiaries;
(v) personal guarantee from a director of the Group; and
(vi) legal mortgages over certain personal properties of a director of the Group.

The Group's borrowings are floating rate instruments that are repriced to market interest rates on or near the end of the reporting date. Accordingly, the fair values of these borrowings, determined from discounted cash flow analysis using discount rates which are the market lending rate that the directors expect would be available to the Group at the end of the reporting date, would approximate their carrying amounts at the end of the reporting date. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair value hierarchy.

Obligations under finance lease

	Minimum lease payments		Present value of minimum lease payments	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Group				
Within 1 financial year	**445,910**	508,884	**394,240**	452,027
Within 2 to 5 financial years	**687,724**	1,070,083	**592,200**	933,896
After 5 financial years	**30,591**	94,142	**25,284**	77,831
Total minimum lease payments	**1,164,225**	1,673,109	**1,011,724**	1,463,754
Less: future finance charges	**(152,501)**	(209,355)	**–**	–
	1,011,724	1,463,754	**1,011,724**	1,463,754
Representing finance lease liabilities:				
– Non-current	**617,485**	1,011,727		
– Current	**394,239**	452,027		
	1,011,724	1,463,754		

The obligations under finance lease bear effective interest rates ranging from 1.88% to 6.75% (2017: 1.88% to 9.50%) per annum respectively. Leased assets are pledged as security for the related lease liabilities (Note 11). A director of the Group and a fellow subsidiary of the Group have provided guarantees for certain of the finance lease liabilities.

Based on the discounted cash flow analysis using market interest rates for similar finance lease agreements at the reporting date, the fair values of finance lease liabilities at the reporting date approximate their carrying amounts as the market interest rate at the reporting date is close to the effective interest rate of the Group's existing finance lease liabilities. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair value hierarchy.

NOTES TO THE **FINANCIAL STATEMENTS**

18 LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans $	Finance lease liabilities $	Amount due to a director $	Total $
2018				
Balance at 1 January 2018	**10,134,088**	**1,463,754**	**3,000,000**	**14,597,842**
Changes from financing cash flows:				
– Proceeds	**45,296**	**–**	**1,200,000**	**1,245,296**
– Repayments	**(1,603,834)**	**(452,030)**	**–**	**(2,055,864)**
– Interest paid	**(355,960)**	**(56,856)**	**–**	**(412,816)**
Non-cash changes:				
– Interest expense	**355,960**	**56,856**	**–**	**412,816**
– Wavier of loan	**–**	**–**	**(1,000,000)**	**(1,000,000)**
Balance at 31 December 2018	**8,575,550**	**1,011,724**	**3,200,000**	**12,787,274**
2017				
Balance at 1 January 2017	11,605,404	590,974	–	12,196,378
Changes from financing cash flows:				
– Proceeds	–	1,251,411	3,000,000	4,251,411
– Repayments	(1,471,316)	(378,631)	–	(1,849,947)
– Interest paid	(358,786)	(46,097)	–	(404,883)
Non-cash changes:				
– Interest expense	358,786	46,097	–	404,883
Balance at 31 December 2017	10,134,088	1,463,754	3,000,000	14,597,842

In 2017, the Group received proceeds from finance lease of $1,251,411 of which $304,617 was used to finance property, plant and equipment acquired (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	$	$	$	$
Trade payables				
– third parties	**533,334**	579,944	**–**	–
Other payables				
– third parties	**920,639**	774,787	**324,137**	76,850
– subsidiaries[(i)]	**–**	–	**5,021,655**	5,007,323
Deposit received				
– related party	**100,000**	100,000	**–**	–
– third parties	**4,800**	–	**–**	–
Accrued expenses	**842,069**	831,019	**241,395**	165,012
Advances received for proposed share placement[(ii)]	**1,250,000**	–	**1,250,000**	–
Deferred capital grant[(iii)]	**447,299**	233,082	**–**	–
	4,098,141	2,518,832	**6,837,187**	5,249,185

[(i)] The amount due to subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

[(ii)] The advances received for proposed share placement are interest-free and part of the proposed consideration under the share placement proposal as disclosed in Note 28.

[(iii)] Deferred capital grants relate to government grants received for acquisition of machineries and equipment for its projects on productivity improvement. There are no unfulfilled conditions or contingencies attached to these grants.

Amortisation charge for the financial year amounted to $127,136 (2017: $114,436).

20 SHARE CAPITAL

	2018		2017	
	No. of shares `000	$	No. of shares `000	$
Group				
At 31 January and at 31 December	**132,000**	**11,498,420**	132,000	11,498,420
Company				
At 31 January and at 31 December	**132,000**	**11,498,420**	132,000	11,498,420

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

The newly issued shares rank pari passu in respects with the previously issued shares.

NOTES TO THE **FINANCIAL STATEMENTS**

21 CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities are as follows:

The Company has provided the corporate guarantees of $15,371,000 (2017: $16,109,000) to banks for bankers' guarantee facility taken by subsidiaries of $12,849,000 (2017: $14,570,000) at the end of the reporting period.

No liability is recognised from the issuance of the corporate guarantees issued to subsidiaries as management has assessed the risk of default to be remote and therefore, the fair value of the financial guarantee to be immaterial.

22 RELATED PARTIES TRANSACTIONS

a) In addition to the information disclosed elsewhere in the financial statements, the following related parties transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

	Group	
	2018	**2017**
	$	**$**
With related parties		
Income		
Service rendered	**145,039**	148,600
Rental	**584,000**	600,000
Sales of goods/equipment	**390**	106,080
Others		
Advance received from	**100,000**	–
Payments received on behalf of	**–**	32,886
Payments made on behalf of	**75,981**	61,593
With a director		
Others		
Loan received from	**1,200,000**	3,000,000

b) Key management personnel compensation:

	Group	
	2018	**2017**
	$	**$**
Key management personnel's remuneration		
– Salaries and bonuses	**625,827**	774,038
– Defined contribution plans	**42,262**	83,873
– Fees	**158,000**	180,339
	826,089	1,038,250

23 LEASE COMMITMENTS

Where the Group is a lessee

The Group leases vehicles and several premises for its centralised dishware washing facilities from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group	
	2018	**2017**
	$	**$**
Not later than one financial year	**602,705**	704,851
Later than one financial year but not later than five financial years	**922,612**	1,525,317
	1,525,317	2,230,168

Where the Group is a lessor

As at 31 December 2018, the Group leases out premises space to related parties under non-cancellable operating leases.

The future minimum lease amounts receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2018	**2017**
	$	**$**
Not later than one financial year	**480,000**	433,310

24 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

Financial instruments at their carrying amounts at reporting date are as follows:

	Group		Company	
	2018	2017	2018	2017
	$	$	$	$
Financial assets				
Loans and receivables (including cash and cash equivalents)	-	4,067,905	-	2,517,613
Financial assets at amortised costs	**3,026,228**	–	**6,472,834**	–
	3,026,228	4,067,905	**6,472,834**	2,517,613
Financial liabilities				
At amortised cost	**15,121,854**	16,734,373	**8,776,733**	6,651,206

b) Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

Foreign currency risk

The Group does not have exposure to foreign currency risk as its transactions, assets and liabilities are mainly denominated in Singapore dollar.

Interest rate risk

The Group's exposure to interest rate risk arises primarily from loans and borrowings. Loans and borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates). The Group does not use derivatives to hedge its interest rate. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

Sensitivity analysis for interest rate risk

The sensitivity analysis below have been determined based on the exposure to interest rates for loans and borrowings at the end of reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of loans and borrowings that have floating rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in Singapore dollar ("SGD"). If the SGD interest rates increase/decrease by 50 (2017: 50) basis points with all other variables including tax rate being held constant, the loss of the Group will be higher/lower by $35,589 (2017: $42,056) respectively as a result of higher/lower interest expense on these loans and borrowings.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the management to minimise such credit risk exposure. The Group actively monitors their outstanding debts and collection records.

The Group derives its sales mainly from third parties. Management is of the view that credit risk is minimal as the trade receivables are expected to be fully collected after the financial year end.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Debtors has a low risk of default and does not have any past due amount	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

24 **FINANCIAL INSTRUMENTS** (CONTINUED)

b) **Financial risk management objectives and policies** (Continued)

Credit risk (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, based on historical experience, that is available without undue cost or effort.

In particular, the Group considers the historical and current payment patterns of the debtors when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the financial asset has a low risk of default; it the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Definition of default

The Group considers the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group as constituting an event of default for internal credit risk management purposes. Based on historical experience, it indicates that receivables that meet the criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Maximum exposure and concentration of credit risk

As at the end of the reporting period, the Group's trade receivables are all due from debtors located in Singapore. The Group's trade receivables comprise 1 debtor (2017: 1 debtor) that represented approximately 24% (2017: 10%) of the trade receivables.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the corporate guarantees provided by the Company to banks as disclosed in Note 21.

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Trade receivables

The Group has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Based on a simplified approach for determining credit loss allowance for trade receivables as at 31 December 2018, an allowance for impairment amounting to $106,477 was recognised by the Group as at 31 December 2018 for specific debtors as a result of occurrence of credit impairment events.

Movements in credit loss allowance are as follows:

	Trade receivables **$**
Group	
Balance as at 1 January 2018, under FRS 39 and SFRS(I) 9 [Note 2(a)]	–
Loss allowance measured:	
– Lifetime ECL (credit-impaired)	106,477
Balance at 31 December 2018	106,477

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Financial assets at amortised cost

Financial assets at amortised costs include trade receivables, amounts due from subsidiaries, amount due from related parties, advances to customers, deposits, other receivables and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets:

Group	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Trade receivables	Lifetime	1,212,619	(106,477)	1,106,142
Amount due from related parties	12-month ECL	50,921	–	50,921
Advances to customers	12-month ECL	163,081	–	163,081
Deposits	N.A. Exposure Limited	148,176	–	148,176
Other receivables	N.A. Exposure Limited	230,714	–	230,714
Cash and cash equivalents	N.A. Exposure Limited	1,327,766	–	1,327,766

Amount due from related parties and advances to customers

For the amount due from related parties and advances to customers where impairment loss allowance is measured using 12 months ECL, the Group assessed the latest performance and financial position of the respective counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Financial assets at amortised cost (Continued)

The table below details the credit quality of the Company's financial assets:

Company	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Trade receivables – subsidiaries	Lifetime	3,405,168	(2,213,076)	1,192,092
Non-trade amounts due from subsidiaries	Lifetime	4,227,983	(116,683)	4,111,300
Cash and cash equivalents	N.A. Exposure Limited	1,169,442	–	1,169,442

	Trade receivables – subsidiary $	**Non-trade amounts due from subsidiaries $**	**Total $**
Company			
Balance as at 1 January 2018, under FRS 39 and SFRS(I) 9 [Note 2(a)]	1,970,400	–	1,970,400
Loss allowance measured:			
– Lifetime ECL (significant increase in credit risk)	242,676	116,683	359,359
Balance at 31 December 2018	2,213,076	116,683	2,329,759

Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Previous accounting policy for impairment of financial assets

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the management.

As at the end of the reporting period ended 31 December 2017, the Group's trade receivables are all due from debtors located in Singapore. The Group's trade receivables comprise 1 debtor that represented approximately 10% of the trade receivables.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the corporate guarantees provided by the Company to the banks as disclosed in Note 21.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit worthy customers with good payment records with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables of the Group that are past due but not impaired are as follows:

	2017 **$**
Past due < 30 days	424,476
Past due 31 to 60 days	332,026
Past due 61 to 90 days	174,200
Past due over 90 days	658,396
	1,589,098

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities (Note 18).

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Repayable on demand or within 1 year $	Within 2 to 5 years $	Over 5 years $	Total $
Group				
2018				
Trade payables	**533,334**	**–**	**–**	**533,334**
Other payables	**1,801,245**	**–**	**–**	**1,801,245**
Loans and borrowings	**3,492,239**	**3,117,279**	**4,672,719**	**11,282,237**
Amount due to a director	**3,200,000**	**–**	**–**	**3,200,000**
	9,026,818	**3,117,279**	**4,672,719**	**16,816,816**
2017				
Trade payables	579,944	–	–	579,944
Other payables	1,556,587	–	–	1,556,587
Loans and borrowings	4,304,220	4,639,207	6,391,047	15,334,474
Amount due to a director	–	3,000,000	–	3,000,000
	6,440,751	7,639,207	6,391,047	20,471,005
Company				
2018				
Other payables	**8,776,733**	**–**	**–**	**8,776,733**
2017				
Other payables	5,231,206	1,420,000	–	6,651,206

NOTES TO THE FINANCIAL STATEMENTS

24 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table below show the contractual expiry by maturity of the Group's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Repayable on demand or within 1 year $
Company	
2018	
Financial liabilities	
Financial guarantee	12,849,000
2017	
Financial liabilities	
Financial guarantee	14,570,000

25 FAIR VALUES OF ASSETS AND LIABILITIES

a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

(i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
(iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1, Level 2 and Level 3 during the financial years ended 31 December 2017 and 2018.

NOTES TO THE **FINANCIAL STATEMENTS**

25 FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value at the end of the reporting date:

	Level 1 $	Level 2 $	Level 3 $	Total $
Group				
2018				
Non-financial asset:				
Investment properties (Note 13)	**–**	**–**	**4,100,000**	**4,100,000**
2017				
Non-financial asset:				
Investment properties (Note 13)	–	–	4,570,000	4,570,000

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at financial year end.

Management is responsible for selecting and engaging valuation experts that possesses the relevant credentials and knowledge for the valuation of the investment properties.

For valuation performed by independent professional valuer, management reviews the appropriateness of the valuation methodologies and assumptions adopted. In determining the fair value of the investment properties, the valuation of the investment properties is based on comparable market transactions of similar properties and the estimated future income stream to be achieved from the property.

c) Movements in Level 3 assets and liabilities measured at fair value

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Investment properties 2018 $	 2017 $
Balance at beginning of financial year	**4,570,000**	4,791,324
Fair value loss recognised in profit or loss	**(515,296)**	(221,324)
Additions	**45,296**	–
Balance at end of financial year	**4,100,000**	4,570,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

26 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from financial years ended 31 December 2017 and 2018.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2017 and 2018.

27 SEGMENT INFORMATION

The Group has only one operating segment from the dishware washing and cleaning services. Management has not identified any business or operating units separately for purpose of making decisions about resource allocation and performance assessment.

Information about major customers

Revenue of $2,748,000 (2017: $2,718,000) are derived from one customer (2017: one customer) who individually contributed 10% or more of the Group's revenue.

Geographical information

The Group's revenues from external customers are derived solely from customers in Singapore. The non-current assets of the Group are all located in Singapore.

28 EVENTS AFTER BALANCE SHEET DATE

(a) Issuance of placement shares

On 8 January 2019 and 5 April 2019, the Company issued 8,020,000 and 18,655,555 placement shares respectively for a total consideration of $4,801,600 to provide funds for acquisition of companies and/or assets in the food and beverage business and for general working capital purposes.

(b) Acquisition of a subsidiary

On 27 February 2019, the Group acquired 80% interest in Wish Hospitality Holdings Private Limited for a cash consideration of $400. With the completion of the proposed subscription, Wish Hospitality Holdings Private Limited has become an 80%-owned subsidiary of the Company. The principal activities of Wish Holdings Private Limited are in the procurement and management of F&B business, distribution, wholesale, trading, retail, import and export of food products and equipment, and the provision of other related products and services which is in line with the Group's strategy to expand into the F&B business.

NOTES TO THE **FINANCIAL STATEMENTS**

28 EVENTS AFTER BALANCE SHEET DATE (CONTINUED)

(c) Issuance of share awards

On 4 March 2019, the Company granted share awards consisting of 328,000 Shares to reward certain independent directors and employees based on the performance criteria as determined by the Remuneration Committee who is administering the Share Plan towards the services and contributions of the Company for the financial year 2018.

(d) Acquisition of a subsidiary

On 1 April 2019, the Company's wholly-owned subsidiary, Hawkerway Pte. Ltd, acquired 100% interest in Hao Kou Wei Pte. Ltd. for a consideration of $3,600,000. 70% of the Consideration, being the sum of $2,520,000, is satisfied by way of the issuance and allotment of 14,000,000 Consideration Shares at an Issue Price of $0.18 per Consideration Share. The remaining 30% of the Consideration, being the sum of $1,080,000, is satisfied by way of payment in cash. With the completion of the proposed acquisition on 1 April 2019, Hao Kou Wei Pte. Ltd. has become an indirect wholly-owned subsidiary of the Company. The principal activities of Hao Kou Wei Pte. Ltd. are letting, operating and managing of food courts, coffee shops and eating houses which is in line with the Group's strategy to expand into the F&B business.

(e) Acquisition of non-controlling interests without a change in control

On 2 April 2019, the Company's wholly-owned subsidiary, Greatsolutions Pte. Ltd., acquired an additional 45% equity interest in GS Hospitality Services Pte. Ltd. from its non-controlling interests for a cash consideration of $3. With the completion of the proposed subscription, GS Hospitality Services Pte. Ltd. has become an indirect wholly-owned subsidiary of the Company.

29 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors dated 5 April 2019.

SHAREHOLDERS' STATISTICS

AS AT 20 MARCH 2019

CLASS OF SHARES
Ordinary Shares

NUMBER OF SHARES
140,348,000

NUMBER OF ORDINARY SHAREHOLDERS
The number of ordinary shareholders as at 20 March 2019 is 253.

VOTING RIGHTS
1 vote for each Ordinary Share held

TREASURY SHARES
Nil

SUBSIDIARY HOLDINGS
Nil

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information provided and to the best knowledge of the Directors, approximately 29.98% of the total number of issued shares (excluding treasury shares) in the capital of the Company are held in the hands of the public as at 20 March 2019. Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has therefore been complied with.

DISTRIBUTION OF SHAREHOLDINGS AS AT 20 MARCH 2019

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	38	15.02	37,100	0.03
1,001 – 10,000	68	26.88	338,100	0.24
10,001 – 1,000,000	137	54.15	18,287,200	13.03
1,000,001 AND ABOVE	10	3.95	121,685,600	86.70
TOTAL	**253**	**100.00**	**140,348,000**	**100.00**

SHAREHOLDERS' **STATISTICS**

AS AT 20 MARCH 2019

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2019

Substantial Shareholder	**Shareholdings registered in the name of the substantial shareholder**	**Shareholdings in which the substantial shareholder are deemed to be interested**	**Total**	**Percentage of issued shares**
Pang Pok	48,190,000	50,000,000#	98,190,000	69.96%

\# Mr Pang Pok is deemed to be interested in the 50,000,000 shares of the Company held through United Overseas Bank Nominees (Private) Limited.

TOP 20 SHAREHOLDERS AS AT 20 MARCH 2019

NO.	**NAME**	**NO. OF SHARES**	**%**
1	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	50,160,000	35.74
2	PANG POK	48,190,000	34.34
3	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,013,100	5.00
4	PANG LIM	3,615,600	2.58
5	TAN POK MIN	3,600,000	2.57
6	KEK YEW LENG @KEK BOON LEONG	3,400,000	2.42
7	AU SWEE LING	1,820,000	1.30
8	PHILLIP SECURITIES PTE LTD	1,328,900	0.95
9	FONG KIM CHIT	1,288,000	0.92
10	CHONG PAW LONG	1,270,000	0.90
11	CHEW KEA KOON	1,000,000	0.71
12	QUEK WAN CHING	900,000	0.64
13	THE KONGZI CULTURE FUND LTD	850,000	0.61
14	KWEK PING LING (GUO BINGLING)	800,000	0.57
15	PHOON HAR KWONG @ JAMES PHOON	720,000	0.51
16	KOH KIM SENG	650,000	0.46
17	LAM SIEW HAR	644,700	0.46
18	ALPHAGREAT PTE LTD	629,000	0.45
19	ANG HAO YAO (HONG HAOYAO)	501,000	0.36
20	GOH GUAN SIONG (WU YUANXIANG)	500,000	0.36
	TOTAL	**128,880,300**	**91.85**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 8 Loyang Way 4, Singapore 507604 on Friday, 26 April 2019 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statements and the Audited Financial Statements for the financial year ended 31 December 2018 together with the Auditors' Report thereon. **[Resolution 1]**

2. To note the retirement of Mr Lee Dah Khang as Director of the Company who is retiring pursuant to Article 113 of the Company's Constitution. [See Explanatory Note (i)]

3. To re-elect Mr Chong Eng Wee as Director who is retiring pursuant to Article 117 of the Company's Constitution. [See Explanatory Note (ii)] **[Resolution 2]**

4. To re-elect Mr Liu Changsheng as Director who is retiring pursuant to Article 117 of the Company's Constitution. [See Explanatory Note (iii)] **[Resolution 3]**

5. To approve the payment of directors' fees up to S$163,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears (FY2018: S$163,000). **[Resolution 4]**

6. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:–

7. **ORDINARY RESOLUTION – AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES** **[Resolution 6]**

"That pursuant to Section 161 of the Companies Act, Chapter 50 ("**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Section B: Rules of Catalist ("**Catalist Rules**") and Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase shares, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF **ANNUAL GENERAL MEETING**

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:

(i) additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:–

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercising of share options or vesting of share awards outstanding and/or subsisting at the time this Resolution is passed; provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF ANNUAL GENERAL MEETING

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act, and otherwise, the Constitution for the time being of the Company; and

(4) (unless previously revoked or varied by the Company in general meeting) such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iv)]

8. **ORDINARY RESOLUTION – AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE GS HOLDINGS EMPLOYEE SHARE OPTION SCHEME** **[Resolution 7]**

"That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to:

(i) offer and grant options ("**Options**") from time to time in accordance with the provisions of the GS Holdings Employee Share Option Scheme ("**GS Holdings ESOS**"); and

(ii) allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the GS Holdings ESOS,

provided always that the aggregate number of Shares to be issued and issuable pursuant to the exercise of options under the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), on the day immediately preceding the date on which an offer to grant an Option is made and that the grant of Options can be made at any time and from time to time." [See Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING

9. **ORDINARY RESOLUTION – AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE GS HOLDINGS PERFORMANCE SHARE PLAN** **[Resolution 8]**

"That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to:

(i) offer and grant awards ("**Awards**") from time to time in accordance with the provisions of the GS Holdings Performance Share Plan ("**GS Holdings PSP**"); and

(ii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of Awards granted under the GS Holdings PSP,

provided always that the aggregate number of Shares to be issued and issuable pursuant to the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) on the day immediately preceding the date on which an Award is granted and that the grant of Awards can be made at any time and from time to time." [See Explanatory Note (vi)]

Any Other Business

10. To transact any other business which may be properly be transacted at an Annual General Meeting.

On Behalf of the Board

Pang Pok
Executive Chairman and Chief Executive Officer

11 April 2019

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Lee Dah Khang will not be seeking re-election and will retire at the conclusion of this annual general meeting. Upon the retirement of Mr Lee Dah Khang as the Lead Independent Director of the Company, he will cease as the Chairman of the Audit and Risk Committee and a member of Nominating Committee and Remuneration Committee of the Company.

(ii) Mr Chong Eng Wee will, upon re-election as Director of the Company, remain as the Chairman of Nominating Committee and a member of Remuneration Committee and Audit and Risk Committee. The Board considers Mr Chong Eng Wee to be independent pursuant to Rule 704(7) of the Catalist Rules. Detailed information on Mr Chong Eng Wee is found under the "Board of Directors" section in the Company's Annual Report.

(iii) Mr Liu Changsheng will, upon re-election as Director of the Company, remain as a member of Nominating Committee, Remuneration Committee and Audit and Risk Committee. He is considered Non-Independent and Non-Executive Director. Detailed information on Mr Liu Changsheng is found under the "Board of Directors" section in the Company's Annual Report.

(iv) **Resolution 6**, if passed, will empower the Directors from the date of this annual general meeting until the date of the next annual general meeting or the date by which the next general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company, of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company.

(v) **Resolution 7**, if passed, will empower the Directors of the Company, to offer and grant options under the GS Holdings ESOS and to allot and issue shares pursuant to the exercise of such options under the GS Holdings ESOS not exceeding fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

(vi) **Resolution 8**, if passed, will empower the Directors of the Company, to allot and issue Shares pursuant to the vesting of Awards under the GS Holdings PSP not exceeding fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

Notes:

1. A member of the Company shall be entitled to appoint not more than two proxies to attend and vote at the annual general meeting on his behalf. A proxy need not be a member of the Company.

2. If the appointor is a corporation, the instrument appointing proxy or proxies must be executed either under its common seal or signed under the hand of its attorney duly authorised on behalf of the corporation.

3. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the annual general meeting. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act (Cap 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Future Act (Cap. 289) and holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund (Cap. 36), in respect of shares purchased on behalf of CPF investors.

4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 8 Loyang Way 4 Singapore 507604 not less than 48 hours before the time appointed for the holding of the Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 201427862D

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 3 for the definition of "relevant intermediary").
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS investors shall be precluded from attending the Meeting.
3. This proxy form is not valid for use by CPF and SRS Investors and shall be ineffective for all intends and purposes if used or purported to be used by them.

ANNUAL GENERAL MEETING

PROXY FORM

I/We ______________________________ (name) ____________ (NRIC/Passport No./Company Registration No.)
of ____ (address)
being a member/members of **GS HOLDINGS LIMITED** (the "**Company**") hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and vote for me/us and on my/our behalf, by poll, at the AGM of the Company to be held at 8 Loyang Way 4, Singapore 507604 on Friday, 26 April 2019 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for and against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM.

Please indicate your vote "For" or "Against" with an "X" within the boxes provided.

No.	Resolutions Relating To:	For	Against
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 together the Auditors' Report.		
2	Re-election of Mr Chong Eng Wee as a Director.		
3	Re-election of Mr Liu Changsheng as a Director.		
4	Approval of directors' fees up to S$163,000 for the financial year ending 31 December 2019, payable in arrears.		
5	Re-appointment of Baker Tilly TFW LLP as auditors and authority to fix their remuneration.		
6	Authority to issue new shares or convertible securities pursuant to Section 161 of the Companies Act, Chapter 50.		
7	Authority to issue shares pursuant to the GS Holdings Employees' Share Option Scheme.		
8	Authority to issue shares pursuant to the GS Holdings Performance Share Plan.		

* Please indicate your vote "For" or "Against" with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ________________ 2019

Total number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at a meeting of the Company on his/her behalf. A proxy need not be a member of the Company. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

3. Pursuant to Section 181 of the Companies Act, Cap 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the AGM. Relevant intermediary means:

    (a) a banking corporation licensed under the Banking Act (Cap 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

    (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Future Act (Cap. 289) and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Loyang Way 4 Singapore 507604 not less than 48 hours before the time set for the AGM.

6. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney the letter or the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM.

9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GENERAL

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

GS HOLDINGS LIMITED
(Incorporated in Singapore on 19 September 2014)
(Company Registration Number: 201427862D)

8 Loyang Way 4, Singapore 507604
www.gsholdings.com.sg