



GS HOLDINGS LIMITED

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

**Unaudited Half-Year Financial Statements And Dividend Announcement
For The Financial Period Ended 30 June 2019**

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

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

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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

	Group 6-month Period Ended 30 June 2019 \$'000	Group 6-month Period Ended 30 June 2018 \$'000	Increase/ (Decrease) %
Revenue	15,814	5,037	N.M
Cost of sales	(5,695)	(5,192)	10%
Gross profit/(loss)	10,119	(155)	N.M
Other income	532	594	(10%)
Administrative expenses	(1,853)	(1,443)	28%
Finance costs	(248)	(223)	11%
Profit/(loss) before tax	8,550	(1,227)	N.M
Income tax expense	(1,371)	-	N.M
Profit/(loss) for the period	7,179	(1,227)	N.M
Attributable to:			
Equity holders of the Company	5,489	(1,236)	N.M
Non-controlling interests	1,690	9	N.M
	7,179	(1,227)	N.M

Statement of Comprehensive Income

	Group 6-month Period Ended 30 June 2019 \$'000	Group 6-month Period Ended 30 June 2018 \$'000	Increase/ (Decrease) %
Profit/(loss) for the period	7,179	(1,227)	N.M
Other comprehensive income/(loss)	-	-	
Total comprehensive income/(loss) for the period	7,179	(1,227)	N.M
Total comprehensive income/(loss) attributable to:-			
Equity holders of the Company	5,489	(1,236)	N.M
Non-controlling interests	1,690	9	N.M
	7,179	(1,227)	N.M

N.M. – Not Meaningful

1(a)(ii) Notes to the Income Statement

	Group 6-month Period Ended 30 June 2019 \$'000	Group 6-month Period Ended 30 June 2018 \$'000	Increase/ (Decrease) %
Profit/(loss) for the period include the following (charges)/credits:			
Personnel expenses	(2,829)	(2,851)	(1%)
Subcontractors' expenses	(895)	(993)	(10%)
Depreciation of property, plant and equipment	(420)	(689)	(39%)
Amortization of right-of-use assets	(469)	-	N.M
Rental expense	(54)	(333)	(84%)
Finance expenses	(248)	(223)	11%
Government grants and incentives	261	257	2%
Allowance for fair value loss on investment properties	(180)	-	N.M

N.M. – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group As at 30 Jun 2019 \$'000	Group As at 31 Dec 2018 \$'000	Company As at 30 Jun 2019 \$'000	Company As at 31 Dec 2018 \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,699	1,834	—*	—*
Right-of-use assets	3,389	—	—	—
Investment properties	3,920	4,100	—	—
Intangible assets	485	—	—	—
Goodwill	3,806	—	—	—
Investments in subsidiaries	—	—	9,012	9,012
	<u>13,299</u>	<u>5,934</u>	<u>9,012</u>	<u>9,012</u>
Current assets				
Inventories	66	18	—	—
Trade and other receivables	11,761	1,925	7,211	5,415
Cash and bank balances	4,024	1,328	1,169	1,169
	<u>15,851</u>	<u>3,271</u>	<u>8,380</u>	<u>6,584</u>
Property held for sale	8,219	8,219	—	—
	<u>24,070</u>	<u>11,490</u>	<u>8,380</u>	<u>6,584</u>
Total assets	<u>37,369</u>	<u>17,424</u>	<u>17,392</u>	<u>15,596</u>
EQUITY				
Equity attributable to owners of the Company				
Share capital	22,795	11,498	22,795	11,498
Assets revaluation reserve	2,919	2,919	—	—
Accumulated losses	(2,306)	(7,795)	(6,222)	(5,940)
Capital Reserve	(14)	—	—	—
Merger Reserve	(6,071)	(6,071)	—	—
Equity attributable to equity holders of the Company	<u>17,323</u>	<u>551</u>	<u>16,573</u>	<u>5,558</u>
Non-controlling interests	1,691	(13)	—	—
Total equity	<u>19,014</u>	<u>538</u>	<u>16,573</u>	<u>5,558</u>
LIABILITIES				
Non-current liabilities				
Loans and borrowings	5,687	6,400	—	—
Lease liabilities	2,048	—	—	—
Deferred tax liabilities	78	—	—	—
	<u>7,813</u>	<u>6,400</u>	<u>—</u>	<u>—</u>
Current Liabilities				
Trade and other payables	3,303	4,098	819	6,838
Tax payables	1,134	—	—	—
Loans and borrowings	4,738	3,188	—	—
Lease liabilities	1,367	—	—	—
Amount due to a director	—	3,200	—	3,200
	<u>10,542</u>	<u>10,486</u>	<u>819</u>	<u>10,038</u>
Total liabilities	<u>18,355</u>	<u>16,886</u>	<u>819</u>	<u>10,038</u>
Total equity and liabilities	<u>37,369</u>	<u>17,424</u>	<u>17,392</u>	<u>15,596</u>

*amount below S\$1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30 June 2019		As at 31 December 2018	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,981	1,757	3,188	nil

Amount repayable after one year

As at 30 June 2019		As at 31 December 2018	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
5,551	136	6,400	nil

Details of collateral

Bank loans amounting to S\$7,847,000 (31 December 2018: S\$8,576,000) are secured by:-

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

Finance lease liabilities amounting to S\$685,000 (31 December 2018: S\$1,012,000) are secured by the rights to the Group's motor vehicles and machinery.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CASH FLOWS

	Group 6-month Period Ended 30 June 2019 \$'000	Group 6-month Period Ended 30 June 2018 \$'000
Cash flows from operating activities		
Profit/(loss) before tax	8,550	(1,227)
Adjustments for:		
Depreciation charge on property, plant and equipment	420	689
Amortisation of grant	(74)	–
Amortisation of right-of-use assets	469	–
Interest expenses	248	223
Allowance for fair value loss on investment properties	180	–
Loss on disposal of property, plant and equipment	36	–
Operating cash flow before working capital changes	9,829	(315)
Changes in working capital:		
Inventories	6	(13)
Receivables	(9,267)	10
Payables	62	383
Cash flows generated from operations	630	65
Income tax paid	(238)	–
Interest expenses	–	(223)
Net cash generated from/(used in) operating activities	392	(158)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(374)	(26)
Net cash paid from acquisition of a subsidiary	(615)	–
Acquisition of non-controlling interest in a subsidiary	–*	–
Proceeds from disposal of property, plant and equipment	128	–
Net cash used in investing activities	(861)	(26)
Cash flow from financing activities		
Repayment of obligations under finance lease	(327)	(223)
Proceeds from issuance of new shares	3,551	–
Repayment of loans and borrowings	(764)	(865)
Proceeds from borrowings	1,605	–
Interest expenses	(248)	–
Repayment of lease liabilities	(452)	–
Repayment to director	(200)	–
Proceeds from non-controlling parties	–*	–
Loan from a director	–	1,000
Net cash generated from/(used in) financing activities	3,165	(88)
Net increase/(decrease) in cash and cash equivalents	2,696	(272)
Cash and cash equivalents at beginning of the period	1,328	752
Cash and cash equivalents at end of the period	4,024	480

*amount below S\$1,000

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

<u>Group</u>	Share Capital	Asset Revaluation Reserve	Accumulated Losses	Merger Reserve	Capital Reserve	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019	11,498	2,919	(7,795)	(6,071)	–	551	(13)	538
Issuance of ordinary shares	11,297	–	–	–	–	11,297	–	11,297
Profit for the period	–	–	5,489	–	–	5,489	1,690	7,179
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	(14)	(14)	14	–
At 30 June 2019	22,795	2,919	(2,306)	(6,071)	(14)	17,323	1,691	19,014
At 1 January 2018	11,498	2,919	(5,243)	(6,071)	–	3,103	(22)	3,081
Loss for the period	–	–	(1,236)	–	–	(1,236)	9	(1,227)
At 30 June 2018	11,498	2,919	(6,479)	(6,071)	–	1,867	(13)	1,854

Company

	Share capital	Accumulated Losses	Total
	\$'000	\$'000	\$'000
At 1 January 2019	11,498	(5,940)	5,558
Loss for the period	–	(282)	(282)
Issuance of ordinary shares	11,297	–	11,297
At 30 June 2019	22,795	(6,222)	16,573
At 1 January 2018	11,498	(2,576)	8,922
Profit for the period	–	31	31
At 30 June 2018	11,498	(2,545)	8,953

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

Issued and fully paid ordinary shares	No. of shares	Share capital (\$'000)
As at 31 December 2018	132,000,000	11,498
Issuance of new shares for placement on 7 January 2019 and 5 April 2019	26,675,555	4,802
Issuance of new shares to directors and employees for share awards granted under the Company's Performance Share Plan on 4 March 2019 and 3 May 2019	553,000	135
Issuance of new shares as consideration for an acquisition on 1 April 2019	14,000,000	3,360
Issuance of new shares as settlement of loan due to a director on 26 June 2019	11,764,705	3,000
As at 30 June 2019	184,993,260	22,795

Outstanding warrants

As at 30 June 2019, the Company had 46,764,705 outstanding warrants (NIL as at 30 June 2018) available for conversion into 46,764,705 ordinary shares of the Company. The outstanding warrants represent approximately 25.3% of the Company's total number of issued shares as at 30 June 2019.

Treasury shares and subsidiary holdings

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares (excluding treasury shares)	As at 30 June 2019	As at 31 Dec 2018
	184,993,260	132,000,000

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares held by the Company during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted SFRS(I) 16, the new accounting standard for leases which is effective for annual reporting period beginning on or after 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessee will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopts SFRS(I) 16 using the modified retrospective approach with the cumulative effect of adopting the standard as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

Upon adoption of SFRS(I) 16 on 1 January 2019, the Group recognised right-of-use assets of S\$1,059,342 and lease liabilities (current and non-current) of S\$1,059,342.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 6-month Period Ended 30 June 2019 \$'000	Group 6-month Period Ended 30 June 2018 \$'000
Profit/(loss) attributable to owners of the Company	5,489	(1,236)
Weighted average number of ordinary shares ('000)	156,374	132,000
Basic earnings/(loss) per share (cents)	3.51	(0.94)
Diluted earnings/(loss) per share (cents)	2.70	(0.94)

The basic and diluted loss per share are the same as there were no dilutive ordinary shares in issue as at 30 June 2018.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and (b) immediately preceding financial year.

	Group As at 30 June 2019 \$'000	Group As at 31 Dec 2018 \$'000	Company As at 30 June 2019 \$'000	Company As at 31 Dec 2018 \$'000
Net asset value attributable to equity holders of the Company	17,323	551	16,573	5,558
Number of ordinary shares ('000)	184,993	132,000	184,993	132,000
Net asset value per ordinary share (cents)	9.36	0.42	8.96	4.21

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S PERFORMANCE

The following review of the performance of the Group is in relation to the six months financial ended 30 June 2019 ("1H2019") as compared to the six months financial period ended 30 June 2018 ("1H2018").

Revenue

Revenue increased substantially by approximately S\$10.8 million from S\$5.0 million in 1H2018 to S\$15.8 million in 1H2019 was principally attributable to the receipt of service fee from the 14 branding, operation and procurement ("BOP") service agreements entered into by the Company's subsidiary, Wish Hospitality Holdings Private Limited ("Wish") as announced by the Company on 18 July 2019. The aforementioned 14 BOP service agreements have an aggregate quarterly contract sum of RMB50,000,000 (approximately S\$10.0 million). The increase in revenue was also attributable to the revenue generated by Hao Kou Wei Pte Ltd ("HKW"), a company of which the Group acquired on 1 April 2019.

Revenue from the dishware washing and cleaning business segment decreased by approximately S\$0.8 million or 16% from S\$5.0 million in 1H2018 to S\$4.2 million in 1H2019. As reported in the previous reporting period, the decrease was 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 sales of S\$45,000 went into liquidation in early September 2018.

Cost of sales and gross profit/loss

Overall, cost of sales increased by approximately S\$0.5 million was mainly due to the following factors:-

- a. Increase in revenue.
- b. Cost of sales incurred by HKW and Wish from April to June 2019 amounting to S\$1.4 million was included in the current reporting period.

Cost of sales of dishware washing and cleaning business segment decreased by S\$0.9 million, mainly due to decrease in revenue and restructuring and streamlining exercises undertaken by the Group in 1H2018, resulting in more efficiency in the utilization of the Group's manpower and other resources.

Subcontractors' expenses decreased by S\$0.1 million mainly due to lower logistics incurred by the dishware and cleaning business segment in line with the decline in its revenue.

Depreciation of property, plant and equipment decreased by approximately S\$0.3 million was mainly due to no depreciation charge in 1H2019 on a property with a net book value of approximately S\$8.2 million which had been classified to Property Held for Sale in December 2018.

Amortization of right-of-use assets of S\$0.5 million incurred in 1H2019 and the decrease in rental expense by S\$0.3 million were due to certain operating leases reclassified to right-of-use assets and lease liabilities and subsequently the Group separately recognised the amortization expense of the right-of-use assets and the interest expense on the lease liabilities following the adoption of SFRS(I) 16 Leases by the Group for the first time as mentioned in page 9 paragraph 5 of this announcement.

Other income

Other income decreased by approximately S\$62,000 was mainly due to rental income amounting to S\$144,000 previously charged to HKW was eliminated at Group level in 1H2019.

Administrative expenses

Administrative expenses increased by S\$410,000 were mainly due to professional fees amounting to approximately S\$300,000 incurred in 1H2019 in relation to the new shares placement, entry into convertible loan agreement, joint venture agreement, acquisition agreement and other corporate exercises taken by the Group in 1H2019. The increase was also due to administrative expenses incurred by HKW and Wish from April to June 2019 were included in the current reporting period.

Administrative expenses of dishware washing and cleaning business segment decreased by approximately S\$200,000, mainly due to lower staff costs as a result of the restructuring and streamlining exercises undertaken by the Group in 1H2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

The following review of the financial position of the Group is in relation to 30 June 2019 as compared to 31 December 2018.

Non-current assets

Property, plant and equipment decreased by S\$0.1 million from S\$1.8 million as at 31 Dec 2018 to S\$1.7 million as at 30 June 2019 was mainly due to depreciation charge of S\$0.4 million during the period. The Group purchased property, plant and equipment amounting to approximately S\$0.4 million during the period.

Right-of-use assets of S\$3.4 million (and total lease liabilities of S\$3.4 million) arose from the Group's adoption of SFRS(I) 16 Leases. As a result, the Group had recognised right-of-use assets and lease liabilities relating to present value of future operating lease payments for the duration of the operating leases.

Investment properties decreased by S\$0.2 million was mainly due to allowance for fair value loss made during the period.

Intangible assets of S\$0.5 million and goodwill of \$3.8 million arose from the acquisition of HKW. The value of the intangible assets and goodwill were determined based on a preliminary assessment done by a local accounting firm from their purchase price allocation exercise.

Current assets

Trade and other receivables increased substantially by S\$9.8 million was mainly attributable to the above-mentioned 14 BOP service agreements secured by the Group which have an aggregate quarterly contract sum of RMB50,000,000 (approximately S\$10.0 million). As announced on 11 July 2019, Company had received gross payment of RMB30 million (approximately S\$6 million) from 8 BOP service agreements.

Cash and bank balances increased by S\$2.7 million during the period. Reasons for the increase are provided below under the Review of the Group's Cash Flow Statement.

Non-current liabilities

Non-current loans and borrowings decreased by S\$0.7 million was mainly due to progressive repayment of loans and borrowings during the period.

Current liabilities

Trade and other payables decreased by S\$0.7 million was mainly due to the advanced placement proceeds of S\$1.25 million received in December 2018 being transferred to share capital during the period when new ordinary shares were issued to the placee, offset by additional trade and payables of S\$0.6 million arising from the acquisition of HKW.

Tax payable of S\$1.3 million relates to the BOP service fee income.

Amount due to a director decreased by S\$3.2 million as the loan had been fully settled during the period through issuance of 11,764,705 new ordinary shares at an issue price of S\$0.255 for each share and cash payment of S\$0.2 million to the director.

Current loans and borrowings increased by S\$1.6 million was mainly due to drawdown of convertible loan of approximately S\$1.6 million for payment of performance deposits and working capital in relation to the BOP business operations during the period. There were also additional borrowings of S\$0.2 million arising from the acquisition of HKW, offset by progressive repayment of loans and borrowings of S\$0.2 million during the period.

Equity

Overall, the Group's total equity increased by S\$18.5 million from S\$0.5 million as at 31 December 2018 to S\$19.0 million as at 30 June 2019. The substantial increase was mainly due to issuance of new ordinary shares amounting to S\$11.3 million during the period and the net profit of S\$7.2 million earned during the period.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Overall, the Group reported a net increase in cash and cash equivalents of S\$2.7 million from S\$1.3 million as at 31 December 2018 to S\$4.0 million as at 30 June 2019. The increase was mainly due to placement proceeds of S\$3.6 million received and net cash generated from operating activities of S\$0.4 million during the period, offset by repayment of loans, borrowings and finance lease of S\$1.1 million and net cash paid from the acquisition of HKW of S\$0.6 million during the period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects to enter into more BOP service agreements with outlets secured by Henan Jufeel Technology Group Co., Ltd. (“**Henan Jufeel**”) or its franchisees’ outlets in the coming 6 to 12 months. Please refer to the announcement made by the Company on 8 March 2019 in relation to the entry by the Company’s subsidiary, Wish, into the master service agreement with Henan Jufeel.

Following the acquisition of HKW in April 2019 and Chicken Supremo Pte Ltd in July 2019, the Group would continue to pursue its expansion plans for its food and beverage (“**F&B**”) segment through opening of more F&B outlets as well as selling franchise rights locally and overseas.

With the above business activities and plans, the Group is expected to perform better for the financial year ending 31 December 2019 as compared to the revenue and earnings for the previous financial year.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared for 1H2019.

(b) Amount per share (cents) and previous corresponding period (cents).

None. No dividend has been declared for 1H2018.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for 1H2019 in order to conserve cash for future operations in view of prevailing business conditions of the Group.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group had on 26 April 2019 obtained a general mandate from its shareholders for IPTs. For details, please refer to the Company's circular dated 11 April 2019.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	\$'000	\$'000
Hao Kou Wei Pte Ltd	144 ⁽¹⁾	33 ⁽¹⁾
Pang Pok	84 ⁽²⁾	
Hawker Management Pte Ltd	-	279 ⁽³⁾

Notes:

- (1) S\$144,000 relates to the rental paid/payable by Hao Kou Wei Pte Ltd ("HKW") from 1 January 2019 to 31 March 2019 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\$33,000 relates to cleaning services provided to the Company from 1 January 2019 to 31 March 2019. Following the completion of the acquisition of HKW by the Group on 1 April 2019, HKW is now an indirect wholly-owned subsidiary of the Company. Prior to the acquisition, HKW was wholly-owned by Ms. Ang Siew Kiock, spouse of the Company's Executive Chairman and Chief Executive Officer, Mr. Pang Pok.
- (2) S\$84,000 relates to the rental paid/payable by Hao Kou Wei Pte Ltd ("HKW") to Mr. Pang Pok from 1 April 2019 to 30 June 2019 pursuant to the lease agreement dated 7 December 2018.
- (3) Relates to cleaning services provided to Hawker Management Pte Ltd, a wholly-owned subsidiary of Koufu Group Limited. Both Hawker Management Pte Ltd and Koufu Group Limited are indirectly wholly-owned by Mr. Pang Lim and his spouse, brother of the Company's Executive Chairman and Chief Executive Officer, Mr. Pang Pok.

14. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7H) as required under Rule 720(1) of the Catalist Rules.

15. Use of Proceeds

(A) Placement

Pursuant to the placement of 26,675,555 new ordinary shares in the capital of the Company to Marvel Earn Limited and Chong Paw Long which was fully completed on 5 April 2019, the Company raised net proceeds of approximately S\$4.74 million ("**Net Proceeds**"). Please refer to the Company announcements dated 17 December 2018, 3 January 2019, 7 January 2019, 25 March 2019, 5 April 2019, 30 April 2019 and the circular dated 11 February 2019 for further details.

As at the date of this announcement, there is no material disbursement of the Net Proceeds following the last update by the Company on 1 July 2019 on the use of Net Proceeds.

(B) Convertible Loan

The Company refers to the Company's announcement dated 17 December 2018 on the entry into convertible loan agreement for an aggregate amount of RMB68,000,000 (or approximately S\$13,600,000). The Company intends to use the proceeds from the convertible loan to be drawdown to fund the following activities to be undertaken by the Company's subsidiary, Wish:

- (a) approximately 35% of such proceeds will be used for the procurement and trading of food and beverage related products;
- (b) approximately 35% of such proceeds will be used for food and beverage business in the PRC; and
- (c) approximately 30% of such proceeds will be used for growth and acquisition opportunities in Hong Kong and the PRC as and when they arise.

As at the date of this announcement, the Company had drawdown approximately S\$1.6 million from the convertible loan for payment of performance deposits and working capital in relation to the BOP business operations.

The above utilisations of the drawdown are in line with the intended utilisations as set out in the Company's announcement dated 17 December 2018.

16. Confirmation pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors of the Company, we, Pang Pok and Lim Kee Way Irwin, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six months ended 30 June 2019 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Pang Pok
Executive Chairman and Chief Executive Officer
13 August 2019