

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

Proposed Acquisition of the Entire Issued Share Capital of Hao Kou Wei Pte. Ltd.
— Entry into Sale and Purchase Agreement

1. INTRODUCTION

- 1.1** The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Hawkerway Pte. Ltd. (the “**Purchaser**”) has on 17 December 2018 entered into a conditional sale and purchase agreement (the “**SPA**”) with Ms Ang Siew Kiock (the “**Vendor**”, and the Vendor and the Purchaser collectively, the “**Parties**”) in respect of the acquisition by the Purchaser of the entire issued share capital (the “**Sale Shares**”) of Hao Kou Wei Pte. Ltd. (Company Registration No. 200602516D) (the “**Target**”) for a purchase consideration of S\$3,600,000 (the “**Consideration**”), upon the terms of and subject to the conditions of the SPA (the “**Proposed Acquisition**”).
- 1.2** Upon completion of the Proposed Acquisition (the “**Completion**”), the Target will be an indirect wholly-owned subsidiary of the Company.

2. INFORMATION ON THE VENDOR, THE TARGET AND THE SALE SHARES

2.1 Vendor

The Vendor is the sole shareholder and director of the Target. The Vendor is also the spouse of the Company’s Executive Chairman and Chief Executive Officer, Mr Pang Pok. As at the date of this announcement, the Vendor does not hold any shares in the Company.

2.2 Target

The Target is a company incorporated in Singapore and is in the principal business of letting and operating and managing food courts, coffee shops and eating houses. As at the date of this announcement, the Target has one (1) wholly-owned subsidiary being Rasa Sayang Village Pte. Ltd., a company incorporated in Singapore in April 2018 (the Target and its subsidiary collectively, the “**Target Group**”). Rasa Sayang Village Pte. Ltd. is in the business of letting and operating of food courts, coffee shops and eating houses. It was also incorporated for the purposes of acquiring the business of Rasa Rasa @ Kampung Changi Restaurant Pte. Ltd. which operates a halal eating house at Changi Village (the “**Rasa Rasa Business**”).

2.3 Sale Shares

There was no independent valuation conducted on the Target Group. Based on the audited financial statement of the Target for the financial year ended 31 December 2017 (“**FY2017**”)¹, the net tangible asset value of the Target as at 31 December 2017 was S\$597,281. The profit before tax of the Target for FY2017 was S\$627,664.

¹ There are no consolidated accounts of the Target Group available for FY2017 as the Target’s subsidiary, Rasa Sayang Village Pte. Ltd., was only incorporated and became part of the Target Group on 3 April 2018. Rasa Sayang Village Pte. Ltd. was incorporated for the purposes of acquiring the Rasa Rasa Business. The acquisition of the Rasa Rasa Business was completed on 30 April 2018.

The net tangible asset value and profit before tax of Rasa Sayang Village Pte. Ltd. (being the wholly-owned subsidiary of the Target) for the financial period ended 30 June 2018 were S\$29,003 and S\$9,003 respectively.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is an acquisition opportunity that the Board believes will enhance value for the shareholders of the Company (the “**Shareholders**”). The Proposed Acquisition will provide an opportunity for the Company to expand the Group’s presence in the food and beverage industry beyond its existing dishware washing and cleaning related business, which currently focuses on the cleaning needs in the food and beverage industry in Singapore. The Proposed Acquisition will enable the Company to enhance shareholder value and generate further investor interest in the shares of the Company. Hence, the Board is of the view that the Proposed Acquisition is likely to enhance the long-term interests of the Company and the Shareholders.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 The Proposed Acquisition

Subject to the terms and conditions of the SPA, the Purchaser shall purchase from the Vendor and the Vendor agrees to sell to the Purchaser all of the Vendor’s interest in the whole of the issued and paid up share capital of the Target.

4.2 Consideration

4.2.1 Amount of Consideration

The Consideration of S\$3,600,000 was arrived at after arm’s length negotiations and on a willing buyer willing seller basis and is based on the Target’s latest audited earnings of S\$627,664 for FY2017 and expected earnings for the financial year ending 31 December 2018, which include earnings from the Rasa Rasa Business, being the new eating house which the Target acquired in April 2018. The Consideration was also arrived at after taking into consideration (i) the Target’s net asset value as at 31 December 2017, (ii) the Vendor’s experience and expertise in the food and beverage industry, and (iii) the Group’s plans to expand into the food and beverage business.

4.2.2 Consideration to be satisfied in cash and in Shares

The Consideration shall be fully satisfied in the following manner:

- (a) 30% of the Consideration, being the sum of S\$1,080,000, by way of payment in cash on the Completion Date (as defined below); and
- (b) 70% of the Consideration, being the sum of S\$2,520,000, by way of the issuance and allotment of 14,000,000 new ordinary shares in the capital of the Company (the “**Shares**”) in favour of the Vendor (the “**Consideration Shares**”) on or about the Completion Date (as defined below).

The Consideration Shares to be issued and allotted will be credited as fully-paid and shall rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distribution (if any) the record date of in respect of which falls on or before the date of issue of such Shares.

4.2.3 Issue Price

- (a) Pursuant to the SPA, the issue price of each Consideration Share (the “**Issue Price**”) shall be S\$0.18 per Consideration Share.
- (b) The Issue Price of S\$0.18 is equivalent to the volume weighted average price (“**VWAP**”) of S\$0.18 per Share for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 14 December 2018, being the last full market day preceding the date of the SPA.

4.2.4 Source of Funds

The cash portion of the Proposed Acquisition will be funded by, among others, internal and/or external sources of funds (including but not limited to future placements) and the remaining by the allotment and issuance of the Consideration Shares.

4.3 Conditions Precedent

Completion is further conditional upon, *inter alia*, the following conditions having been fulfilled (or waived in accordance with the SPA, to the extent legally permissible):

- (a) the Company and the Purchaser obtaining such approval(s) required from their respective board of directors in connection with the SPA and the transactions contemplated therein;
- (b) the Vendor procuring the Target to obtain such approval(s) required from the Target's board of directors in connection with the SPA and the transactions contemplated therein;
- (c) the requisite approval of the SGX-ST and the Company's Sponsor (as defined below) having been obtained for the listing of and quotation for the Consideration Shares, and where such approval is subject to any conditions, such conditions being complied with;
- (d) the Company receiving all necessary approvals from its Shareholders at an extraordinary general meeting of the Company (the “**EGM**”) to be convened including such approvals as may be required pursuant to Chapter 9 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the “**Catalist Rules**”), and for the issuance of the Consideration Shares to the Vendor, being an associate of a director of the Company; and
- (e) the Purchaser being satisfied in its discretion that there has been no material adverse change, or events, acts or omissions likely to lead to such a material adverse change in the business, assets, prospects, performance, financial position, results of operation and / or conditions (financial or otherwise) of the Target Group and / or any of the companies within the Target Group,

(collectively, the “**Conditions Precedent**” and each a “**Condition Precedent**”).

4.4 Completion

Completion shall take place on the date falling within 7 calendar days after the fulfilment of the Conditions Precedent under the SPA, unless they are waived by the relevant Parties (to the extent permitted under the applicable laws) (the “**Completion Date**”).

4.5 Long Stop Date

If any of the Conditions Precedent is not fulfilled or waived by the relevant Parties (to the extent permitted under the applicable laws) by the Long Stop Date (as defined below), the SPA shall cease and determine and (save for any antecedent breach) no Party shall have any claim against the other Party for costs, damages, compensation or anything whatsoever.

Pursuant to the SPA, the Parties have agreed that the long stop date for the Proposed Acquisition (the “**Long Stop Date**”) shall be 3 months from the date of the SPA or such other date as the Parties may mutually agree in writing.

5. ISSUANCE OF CONSIDERATION SHARES

Rule 804 of the Catalist Rules provides that except in the case of an issue made on a pro rata basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or an associate of the director may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

As the Vendor is an associate of Mr Pang Pok, the Company’s Executive Chairman and Chief Executive Officer, the Company will be seeking approval from Shareholders for the allotment and issuance of the Consideration Shares to the Vendor at the EGM to be convened.

The Consideration Shares represent approximately 10.61% of the Company’s existing share capital of 132,000,000 Shares. After the completion of the Proposed Acquisition, the Consideration Shares will represent approximately 9.59% of the enlarged share capital of the Company of 146,000,000 Shares. Upon completion of the Proposed Acquisition, the Vendor will hold 9.59% of the issued and paid-up share capital of the Company, on an enlarged basis, and Mr Pang Pok will be deemed to be interested in such Shares held by the Vendor.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

6.1 Relative Figures computed on the bases set out in Rule 1006 of the Catalist Rules

6.1.1 The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition and based on the latest announced consolidated financial statements of the Group for the half year ended 30 June 2018 (“**HY2018**”) are as follows:

Catalist Rule	Relative Figures (%)
Rule 1006(a) The net asset value of the assets to be disposed of, compared with the Group’s net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
Rule 1006(b) The net profits attributable to the assets acquired, compared with Group’s net profits ⁽¹⁾	(20) ⁽²⁾
Rule 1006(c) The aggregate value of the consideration ⁽³⁾ given, compared with the Company’s market capitalisation ⁽⁴⁾ based on the total number of issued shares excluding treasury shares	15
Rule 1006(d) The number of equity securities issued by the Company as consideration for the Proposed Acquisition ⁽⁵⁾ , compared with the number of equity securities previously in issue	11
Rule 1006(e)	

Catalist Rule	Relative Figures (%)
The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) For the purpose of computation of the net profit figures, pursuant to Rule 1002(3)(b) of the Catalist Rules, “**net profits**” means profit or loss before income tax, minority interests and extraordinary items.
- (2) The net profits attributable to the Proposed Acquisition is determined based on the net profit of S\$247,581 of the Target Group for HY2018 and the latest announced loss before taxation of the Group of approximately S\$1,227,000 for HY2018.
- (3) Pursuant to Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value (“**NAV**”) represented by such shares, whichever is higher. The market value of the Consideration Shares is approximately S\$2,520,000 based on the VWAP of a Share of S\$0.18 on the market day preceding the date of the SPA, and the NAV attributable to the Consideration Shares is approximately S\$247,000. Based on Rule 1003(3) of the Catalist Rules, the aggregate value of the consideration is therefore approximately S\$3,600,000, comprising the portion of the Consideration to be satisfied in cash (being the sum of S\$1,080,000), and the market value of the Consideration Shares of S\$2,520,000).
- (4) The Company's market capitalisation is approximately S\$23,760,000, derived by multiplying the issued share capital of the Company of 132,000,000 Shares by the VWAP of such Shares transacted on 14 December 2018 of S\$0.18 per Share. The Company does not have any treasury shares.
- (5) Based on 14,000,000 Consideration Shares to be issued at the Issue Price of S\$0.18 as satisfaction of part of the Consideration for the Proposed Acquisition.

6.2 Discloseable Transaction

6.2.1 As the relative figures under Rule 1006(c) and 1006(d) exceed 5% but do not exceed 75%, the Proposed Acquisition is deemed to be a “Discloseable Transaction” under Chapter 10 of the Catalist Rules for the purposes of this announcement.

6.2.2 The relative figure computed based on Rule 1006(b) of the Catalist Rules is a negative value. Pursuant to Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction. The Company will in any event seek Shareholders' approval for the Proposed Acquisition at the EGM to be convened due to the potential change in risk profile of the Group arising from the Proposed Acquisition. Please refer to paragraph 9 of this announcement for further details.

6.2.3 In addition, as the Consideration for the Proposed Acquisition may be satisfied partly by the allotment and issuance of the Consideration Shares for which listing will be sought, the Company is obliged to announce the Proposed Acquisition pursuant to Rule 1009 of the Catalist Rules, stating the information required under Part VI of Chapter 10 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1 Bases and Assumptions

The financial effects of the Proposed Acquisition on the share capital, net tangible assets (“NTA”) per Share and loss per Share (“LPS”) of the Group have been prepared based on the latest announced audited consolidated financial statements of the Group for FY2017. The *pro forma* financial effects of the Proposed Acquisition are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following Completion.

For illustration purposes only, the financial effects of the Proposed Acquisition have been computed based on the following assumptions:

- (a) the financial effects on the Group’s NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the Proposed Acquisition was completed on 31 December 2017, being the end of the most recently completed financial year;
- (b) the financial effects on the Group’s earnings or loss attributable to the Shareholders and LPS have been computed assuming that the Proposed Acquisition was completed on 1 January 2017, being the beginning of the most recently completed financial year; and
- (c) the expenses in connection with the Proposed Acquisition have been disregarded.

7.2 Share Capital

	Before Completion	After Completion ⁽¹⁾
Number of Shares	132,000,000	146,000,000
Issued and paid-up share capital (S\$’000)	11,498	14,018

Note:

- (1) Pursuant to the allotment and issuance of 14,000,000 Consideration Shares as satisfaction of part of the Consideration.

7.3 NTA per Share

	Before Completion	After Completion ⁽¹⁾
NTA attributable to Shareholders (S\$’000)	3,103	2,620
Number of Shares	132,000,000	146,000,000
NTA per Share attributable to Shareholders (Singapore cents)	2.35	1.79

Note:

- (1) Pursuant to the allotment and issuance of 14,000,000 Consideration Shares as satisfaction of part of the Consideration.

7.4 LPS

	Before Completion	After Completion ⁽¹⁾
Net loss attributable to Shareholders	3,849	3,244

(S\$'000)		
Weighted average number of Shares	132,000,000	146,000,000
LPS (Singapore cents)	2.91	2.22

Note:

- (1) Pursuant to the allotment and issuance of 14,000,000 Consideration Shares as satisfaction of part of the Consideration.

8. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

8.1 Interested Person Transaction

The Vendor is the spouse and immediate family of the Company's Executive Chairman and Chief Executive Officer, Mr Pang Pok, and hence an "associate" of Mr Pang Pok as defined under the Catalyst Rules. Accordingly, for the purposes of Chapter 9 of the Catalyst Rules, the Vendor would be considered an "interested person" vis-a-vis the Purchaser, which is regarded as an "entity at risk" pursuant to Chapter 9 of the Catalyst Rules. Accordingly, the Proposed Acquisition constitutes an "interested person transaction" under Chapter 9 of the Catalyst Rules.

8.2 NTA

As at 31 December 2017, 5% of the latest audited consolidated NTA of the Group of S\$3.08 million was approximately S\$154,000.

8.3 Shareholders' Approval

- 8.3.1** The Consideration of S\$3,600,000 for the Proposed Acquisition represents approximately 117% of the Group's latest audited consolidated NTA. Accordingly, as the value of the Proposed Acquisition represents more than 5% of the Group's latest audited consolidated NTA, approval of the non-interested Shareholders will be required for the Proposed Acquisition, in accordance with Chapter 9 of the Catalyst Rules.

- 8.3.2** Pursuant to Rule 919 of the Catalyst Rules, Mr Pang Pok and his associates must not vote on the resolution for the Proposed Acquisition nor accept appointments as proxies unless specific instruction as to voting are given.

8.4 Total Value of Interested Person Transactions

- 8.4.1** For the period from the beginning of the current financial year (being 1 January 2018) to 30 June 2018, the total value of all interested person transactions entered into by the Company or any member of the Group with the Vendor (excluding transactions which are less than S\$100,000) is approximately S\$368,000.

- 8.4.2** For the period from the beginning of the current financial year (being 1 January 2018) to 30 June 2018, the total value of all interested person transactions entered into by the Company or any member of the Group (excluding transactions which are less than S\$100,000) is approximately S\$708,000, representing approximately 23% of the latest audited NTA of the Group.

8.5 Independent Financial Adviser and Opinion of Audit Committee

- 8.5.1** RHT Capital Pte. Ltd. has been appointed as the independent financial adviser ("IFA") to provide an opinion on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The IFA's opinion will be included in the circular (the "**Circular**") to be despatched to Shareholders in connection with the EGM to seek Shareholders' approval for the Proposed Acquisition.

8.5.2 The Company's audit committee (the "**Audit Committee**") (comprising Mr Lee Dah Khang, Mr Chua Kern and Mr Chow Kek Tong who do not have any interest in the Proposed Acquisition and are accordingly deemed to be independent for the purposes of the Proposed Acquisition) will form its view as to whether the Proposed Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders upon receipt of the IFA's opinion referred to in paragraph 8.5.1 above. The Audit Committee's view will be set out in the Circular.

9. CHANGE IN RISK PROFILE

As the Proposed Acquisition contemplates the Group's growth into the food and beverage industry, the Proposed Acquisition is a potential expansion of the Group's existing business which may or may not be a material change to the risk profile of the Group. Accordingly, the Company will be obtaining the Shareholders' approval for the Proposed Acquisition at the EGM to be convened. Further information on the Proposed Acquisition and the foregoing potential expansion will be provided in the Circular to be issued by the Company in due course for the purpose of convening the EGM.

10. ADDITIONAL LISTING APPLICATION

UOB Kay Hian Private Limited, the Company's Sponsor, will be submitting an application to the SGX-ST, on behalf of the Company, for the listing and quotation of the Consideration Shares on the Catalist board of the SGX-ST. The Company will make the relevant announcement to notify the Shareholders when the listing and quotation notice from the SGX-ST is obtained.

11. DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company or the Target in connection with the Proposed Acquisition.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company and the Vendor's relationship with Mr Pang Pok as disclosed above, none of the Directors or substantial Shareholders or their associates, as far as the Company is aware, has any interest, direct or indirect, in the Proposed Acquisition.

13. CIRCULAR TO SHAREHOLDERS

As the Proposed Acquisition is conditional upon the Company having obtained Shareholders' approval(s), the Circular to the Shareholders containing, among others, information on the Proposed Acquisition will be despatched to Shareholders in due course.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the Company's registered office at 8 Loyang Way 4 Singapore 507604 for a period of 3 months from the date of this announcement.

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

16. CAUTIONARY STATEMENT

The Company wishes to highlight that completion of the Proposed Acquisition is subject to the Conditions Precedents being fulfilled and there is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms of the SPA. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants, and/or other professional advisers if they are in doubt about the actions that they should take.

17. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Acquisition as appropriate or when there are developments on the same.

By Order of the Board

Pang Pok
Executive Chairman and Chief Executive Officer

17 December 2018

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 SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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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