

CIRCULAR DATED 13 DECEMBER 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your shares in the capital of GS Holdings Limited (the "**Company**") held through CDP, you need not forward this Circular with the Notice of EGM and the attached Shareholder Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Shareholder Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical certificate(s), you should immediately forward this Circular and the enclosed Notice of EGM and Shareholder Proxy Form to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Circular has been prepared by 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 Catalist.

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

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



GS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201427862D)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:–

- (1) THE PROPOSED EXPANSION AND DIVERSIFICATION IN RESPECT OF THE GROUP'S BRANDING, OPERATION AND PROCUREMENT BUSINESS**
- (2) THE PROPOSED DISPOSAL OF THE COMPANY'S WHOLLY-OWNED SUBSIDIARY, BEING GREATSOLUTIONS PTE. LTD.**
- (3) THE PROPOSED PARTICIPATION BY AND GRANT OF OPTIONS TO MR PANG POK AND MS ELISS PANG, BEING A CONTROLLING SHAREHOLDER AND AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, RESPECTIVELY, UNDER THE GS EMPLOYEE SHARE OPTION SHARE PLAN**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 28 December 2019 at 2.30 p.m.
Date and time of Extraordinary General Meeting : 30 December 2019 at 2.30 p.m.
Place of Extraordinary General Meeting : 8 Loyang Way 4, Singapore 507604

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

General

- “Adjusted NAV”** : The adjusted net asset value of the Target as further described in Section 3.3.3 of this Circular
- “Aggregated Transactions”** : Has the meaning ascribed to it in Section 2.3 of this Circular
- “Associate”** : Has the meaning ascribed to it in the Catalist Rules
- “Award Shares”** : Shares granted under an Award
- “Award”** : A contingent award of Shares which may be granted pursuant to the GS PSP
- “Board”** : The board of Directors of the Company
- “BOP Business”** : The business of, among others, providing BOP serves and as further described in Section 2.2 of this Circular
- “BOP”** : Branding, operation and procurement and as described in Section 2.1 of this Circular
- “BOP Service Agreements”** : Has the meaning ascribed to it in Section 2.3 of this Circular
- “Catalist Rules”** : The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended or modified from time to time
- “Circular”** : This circular to Shareholders dated 13 December 2019
- “Cleaning and Dishwashing Business”** : Has the meaning ascribed to it in Section 2.1 of this Circular
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
- “Completion”** : Completion of the Proposed Disposal
- “Completion Date”** : Date of completion of the Proposed Disposal, as further described in Section 3.5.4 of this Circular
- “Consideration”** : Consideration for the Proposed Disposal, as further described in Section 3.5.2 of this Circular
- “Constitution”** : The constitution of the Company in force for the time being
- “Controlling Interest”** : The interest of Controlling Shareholder(s)

DEFINITIONS

“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control of a company
“Directors”	:	The directors of the Company
“EGM”	:	The extraordinary general meeting of the Company to be held at 8 Loyang Way 4, Singapore 507604 on 30 December 2019 at 2.30 p.m., notice of which is set out on pages N-1 to N-5 of this Circular
“EPS”	:	Earnings per Share
“Exercise Price”	:	The exercise price of the Options granted under the Proposed Grant of Options as further set out in <u>Section 4.3.2</u> and <u>Section 4.4.2</u> of this Circular
“Existing Business”	:	The existing business of the Group as further described in <u>Section 2.1</u> of this Circular
“F&B”	:	Food and beverage
“F&B Business”	:	Has the meaning ascribed to it in <u>Section 2.1</u> of this Circular
“Financial Reporting Standard 102”	:	The Singapore Financial Reporting Standard regulating Share-based payments as issued by the Accounting Standards Council Singapore
“First Major Transaction”	:	Has the meaning ascribed to it in <u>Section 2.3</u> of this Circular
“FY2018”	:	Financial year ended 31 December 2018
“GS ESOS”	:	The share option scheme of the Company known as the GS Holdings Employee Share Option Scheme approved by Shareholders on 17 December 2015, the rules of which are set out in Appendix G of the Offer Document
“GS PSP”	:	The performance share plan of the Company known as the GS Holdings Performance Share Plan approved by Shareholders on 17 December 2015, the rules of which are set out in Appendix H of the Offer Document
“HY2019”	:	The financial period for the six months ended 30 June 2019

DEFINITIONS

“Latest Practicable Date”	:	2 December 2019, being the latest practicable date prior to the printing of this Circular
“Long Stop Date”	:	The long stop date for the Proposed Disposal as further described in <u>Section 3.5.6</u> of this Circular
“Loyang Property”	:	The leasehold property at 8 Loyang Way 4 Singapore 507604
“LPS”	:	Loss per Share
“Market Price”	:	Defined in the rules of the GS ESOS to mean the average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant date on which an offer to grant an Option is made pursuant to the GS ESOS, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
“Notice of EGM”	:	The notice of the upcoming EGM as set out on pages N-1 to N-5 of this Circular
“NTA”	:	Net tangible assets
“Offer Document”	:	The offer document of the Company dated 7 January 2016
“Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the GS ESOS and for the time being subsisting
“Ordinary Resolutions”	:	The ordinary resolutions as set out in the Notice of EGM
“PRC”	:	People’s Republic of China
“Property Valuation Report”	:	The property valuation report dated 31 October 2019 issued by the Property Valuer in respect of the valuation of the Loyang Property and as set out in Appendix B of this Circular
“Proposed Disposal”	:	The Company’s disposal of the Target which, as at the Latest Practicable Date, is a wholly-owned subsidiary of the Company

DEFINITIONS

“Proposed Expansion and Diversification”	:	The proposed expansion and diversification of the Company’s BOP Business, as further described in <u>Section 2.1</u> of this Circular
“Proposed Grant of Options”	:	The proposed grant of Options under the GS ESOS to Mr Pang and Ms Eliss Pang, the allotment and issuance of the Shares pursuant to the exercise of such options
“Proposed Participation in the GS ESOS”	:	The proposed participation of Mr Pang and Ms Eliss Pang, being a Controlling Shareholder and an Associate of a Controlling Shareholder respectively, under the GS ESOS
“Record Date”	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
“Sale Shares”	:	All 6,500,000 ordinary shares in the share capital of the Target, representing 100% of the issued share capital of the Target
“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Shareholder Proxy Form”	:	Has the meaning ascribed to it in <u>Section 11.1</u> of this Circular
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the share capital of the Company
“SPA”	:	The sale and purchase agreement dated 19 November 2019 entered into between the Company and the Purchaser for the sale of the Sale Shares
“Summary Valuation Report”	:	The summary report dated 13 December 2019 issued by the Valuer in respect of the Valuation Report, a copy of which is set out in Appendix A of this Circular
“Valuation Report”	:	The valuation report dated 13 December 2019 issued by the Valuer in respect of the independent valuation of 100% equity interest in the capital of the Target as at 30 September 2019

DEFINITIONS

Companies, Persons, Organisation and Agencies

“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	GS Holdings Limited
“Group”	:	The Company together with its subsidiaries
“GS Group” and “GS Group Company”	:	The Group, excluding the Target Group Companies, and each of the company in the GS Group shall be referred to a “GS Group Company”
“GS Hospitality”	:	GS Hospitality Services Pte. Ltd., being a wholly-owned subsidiary of the Target and indirect wholly-owned subsidiary of the Company, as at the Latest Practicable Date
“Mr Pang”	:	Mr Pang Pok, being a Director and the Executive Chairman and Chief Executive Officer of the Company
“Ms Eliss Pang”	:	Ms Pang Yiling Eliss, the daughter of Mr Pang, and the Director of Operations of the Group
“Property Valuer”	:	PREMAS Valuers & Property Consultants Pte. Ltd., being the valuer commissioned by the Company to conduct an independent valuation on the Loyang Property
“Purchaser”	:	GSG Capital Pte. Ltd.
“Remuneration Committee”	:	The remuneration committee of the Company comprising, as at the Latest Practicable Date, Mr Chan Chun Kit, Mr Chong Eng Wee and Mr Lim Kee Way Irwin
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sponsor”	:	UOB Kay Hian Private Limited
“Target”	:	GreatSolutions Pte. Ltd., being a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Target Group”	:	The Target and GS Hospitality, collectively, and each of them a “Target Group Company”
“Wish Hospitality”	:	Wish Hospitality Holdings Private Limited, a subsidiary of the Company
“Valuer”	:	Cushman and Wakefield VHS Pte Ltd, being the valuer appointed to conduct an independent valuation on 100% equity interest in the capital of the Target as at 30 September 2019

DEFINITIONS

Currencies, Units and Others

“**S\$**” and “**cents**” : Singapore Dollars and cents, respectively, being the lawful currency of the Republic of Singapore

“**%**” : Per centum or percentage

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall include corporations. References to “**Section**” are to the sections of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or Chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

GS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201427862D)

Directors:

Pang Pok (*Executive Chairman and Chief Executive Officer*)
Chong Eng Wee (*Lead Independent Director*)
Chan Chun Kit (*Independent Director*)
Lim Kee Way Irwin (*Independent Director*)
Liu Changsheng (*Non-Independent and Non-Executive Director*)
Zhang Rongxuan (*Non-Independent and Non-Executive Director*)

Registered Office:

8 Loyang Way 4
Singapore 507604

13 December 2019

To: The Shareholders of GS Holdings Limited

Dear Sir/Madam,

- (1) **THE PROPOSED EXPANSION AND DIVERSIFICATION IN RESPECT OF THE GROUP'S BRANDING, OPERATION AND PROCUREMENT BUSINESS**
- (2) **THE PROPOSED DISPOSAL OF THE COMPANY'S WHOLLY-OWNED SUBSIDIARY, BEING GREATSOLUTIONS PTE. LTD**
- (3) **THE PROPOSED PARTICIPATION BY AND GRANT OF OPTIONS TO MR PANG AND MS ELISS PANG, BEING A CONTROLLING SHAREHOLDER AND AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, RESPECTIVELY, UNDER THE GS EMPLOYEE SHARE OPTION SHARE PLAN**

1. INTRODUCTION

1.1 Purpose of Circular

The Board is proposing to convene an EGM on 30 December 2019 to seek Shareholders' approval for the following:

- 1.1.1 (Ordinary Resolution 1) the Proposed Expansion and Diversification;
- 1.1.2 (Ordinary Resolution 2) the Proposed Disposal;
- 1.1.3 (Ordinary Resolution 3) the proposed participation by Mr Pang, being a Controlling Shareholder, in the GS ESOS;
- 1.1.4 (Ordinary Resolution 4) the proposed grant of 1,400,000 Options to Mr Pang, being a Controlling Shareholder, under the GS ESOS;
- 1.1.5 (Ordinary Resolution 5) the proposed participation by Ms Eliss Pang, being an Associate of a Controlling Shareholder, in the GS ESOS; and
- 1.1.6 (Ordinary Resolution 6) the proposed grant of 600,000 Options to Ms Eliss Pang, being an Associate of a Controlling Shareholder, under the GS ESOS.

The purpose of this Circular is therefore to provide Shareholders with the relevant information relating to the above, and to seek Shareholders' approval in respect of the same at the upcoming EGM. The Notice of EGM is set out on pages N-1 to N-5 of this Circular.

LETTER TO SHAREHOLDERS

1.2 Conditionality of Resolutions

Shareholders should note that the passing of Ordinary Resolution 4 (in respect of the grant of Options to Mr Pang under the GS ESOS) shall be conditional upon the passing of Ordinary Resolution 3 (in respect of the participation by Mr Pang in the GS ESOS). This means that if Ordinary Resolution 3 is not passed at the EGM, Ordinary Resolution 4 will not be tabled.

Shareholders should note that the passing of Ordinary Resolution 6 (in respect of the grant of Options to Ms Eliss Pang under the GS ESOS) shall be conditional upon the passing of Ordinary Resolution 5 (in respect of the participation by Ms Eliss Pang in the GS ESOS). This means that if Ordinary Resolution 5 is not passed at the EGM, Ordinary Resolution 6 will not be tabled.

2. THE PROPOSED EXPANSION AND DIVERSIFICATION

2.1 Introduction

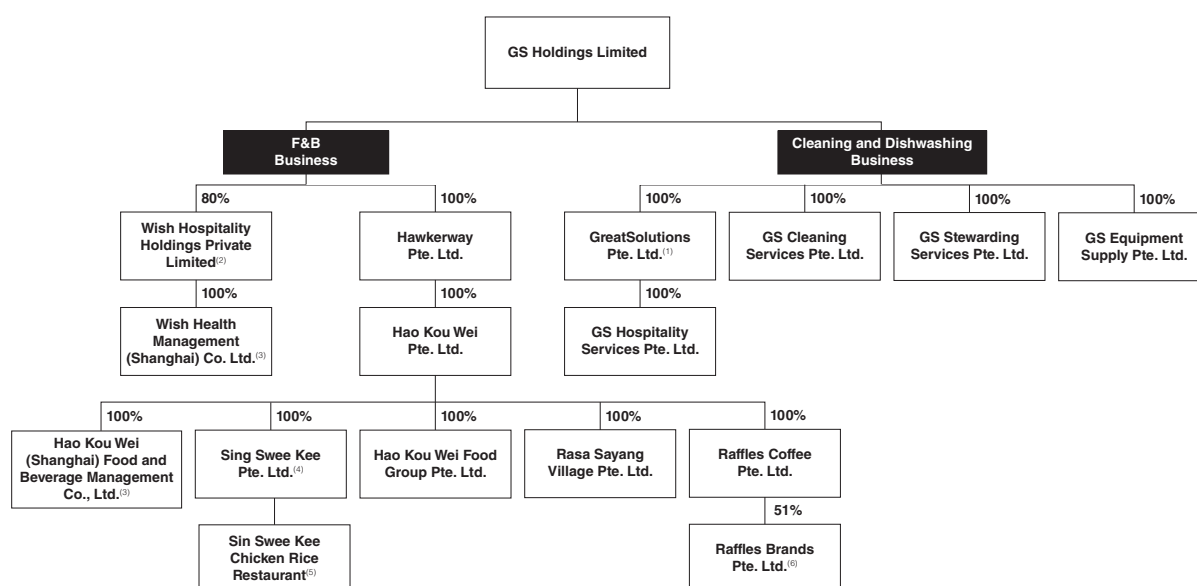
The Group was previously principally involved in the business of providing end-to-end cleaning services for Singapore's F&B industry with a focus on centralised commercial dishware washing services (the "**Cleaning and Dishwashing Business**"). On 26 February 2019, the Company obtained Shareholders' approval at an EGM held on the same date for the expansion of the Group's then principal business to include, among others, the management of food courts, coffee shops and eating houses and the provision of F&B management services (the "**F&B Business**"). Further details on the Group's expansion into the F&B Business is set out in the Company's circular dated 11 February 2019.

Following the Shareholders' approval obtained on 26 February 2019 for the Group's expansion into the F&B Business, the Group has ramped up its expansion efforts into the F&B industry with the following:

- (a) acquisition of Hao Kou Wei Pte. Ltd. and Sing Swee Kee Pte. Ltd. (formerly known as Chicken Supremo Pte Ltd), both of which are in the business of operating and managing food courts, coffee shops and eating houses;
- (b) joint venture with Ms Zhang Liying, a strategic partner, via Wish Hospitality which is principally engaged in the procurement and management of F&B business in the PRC, specifically in the provision of branding, operation and procurement ("**BOP**") services to F&B outlets. The Group holds 80% of the shares in Wish Hospitality;
- (c) joint venture with Ms Zhang Liying via Raffles Coffee Pte. Ltd., pursuant to which Raffles Brands Pte. Ltd. was incorporated. The Group holds 51% of the shares in Raffles Brands Pte. Ltd. which is primarily in the business of developing, franchising and management of various F&B brands.

As at the Latest Practicable Date, the Group's business is primarily involved in the F&B Business and the Cleaning and Dishwashing Business (collectively, the "**Existing Business**"). A diagrammatic representation of the business segments which the Group is currently involved in is set out below.

LETTER TO SHAREHOLDERS



Notes:

- (1) To be disposed pursuant to the Proposed Disposal subject to, among others, Shareholders' approval being obtained at the forthcoming EGM. Please refer to [Section 3](#) for further details on the Proposed Disposal.
- (2) The remaining 20% of the shares in Wish Hospitality Holdings Private Limited is held by Ms Zhang Liying. Shareholders may wish to refer to the Company's circular dated 11 February 2019 and the announcements dated 27 February 2019, 8 March 2019 and 18 October 2019 for further details on the Company's joint venture with Ms Zhang Liying.
- (3) Incorporated in Shanghai, PRC.
- (4) The acquisition of Sing Swee Kee Pte. Ltd. (formerly known as Chicken Supremo Pte Ltd) was completed on 1 July 2019. Shareholders may wish to refer to the Company's announcements dated 17 May 2019 and 1 July 2019 for further details on the foregoing acquisition.
- (5) Sin Swee Chicken Rice Restaurant is a sole proprietorship owned by Sing Swee Kee Pte. Ltd.
- (6) The remaining 49% of the shares in Raffles Brands Pte. Ltd. is held by Ms Zhang Liying. Shareholders may wish to refer to the Company's announcement dated 29 October 2019 for further details on the Company's joint venture with Ms Zhang Liying.

The Group's expansion into the F&B Business has, among others, been driven by the Group's BOP business carried out through the Group's joint venture with Ms Zhang Liying via Wish Hospitality. In particular, as at the Latest Practicable Date, the Group has seen much progress in the BOP business with Wish Hospitality having entered into exclusive agreements with 14 F&B outlets for the provision of BOP services. Shareholders may wish to refer to the announcements released by the Company on 8 March 2019, 29 April 2019 and 11 July 2019 for more information on the BOP services provided to the F&B outlets.

As at the Latest Practicable Date, the BOP services provided by the Group is restricted to the F&B Business. Going forward, the Group intends to adopt the same business model and provide BOP services to companies in industries including but not limited to the F&B industry, as and when the opportunities arise (the "**Proposed Expansion and Diversification**"). The Group does not plan to restrict the provision of such BOP services to any specific business sector, industry or geographical market.

LETTER TO SHAREHOLDERS

While the Group presently provides BOP services (albeit limited to the F&B industry) via Wish Hospitality, the provision of such BOP services does not represent the entire F&B or core business of the Group as the Group's F&B Business also involves the operation and management of food courts, coffee shops and eating houses. Therefore, it is envisaged that the Proposed Expansion and Diversification will simultaneously entail:

- (i) the expansion of the Group's business of providing BOP services, with such business potentially being one of the core businesses of the Group in the future; and
- (ii) the diversification of the Group's business relating to the provision of BOP services beyond the F&B industry,

which may or may not change the risk profile of the Group. Accordingly, the Company is seeking Shareholders' approval for the Proposed Expansion and Diversification.

2.2 The BOP Business

The BOP business will include the following activities:

- (a) provision of BOP services relating to (i) branding management, (ii) operational support, (iii) central procurement, (iv) recruitment, customised training and development of human resource. In providing such services, the Group may provide these services directly or outsource such services to third parties;
- (b) the acquisition and holding of investments in businesses providing the above services referred to in paragraph (a) above and holding the same for long-term investment; and
- (c) any other activity related to or ancillary to the foregoing,

(collectively, the "**BOP Business**"). Currently the BOP Business undertaken by the Company via Wish Hospitality and its Shanghai subsidiary is restricted to the activities set out in paragraph (a) above and limited to the F&B industry. Subject to the relevant Shareholders' approval being obtained, the Company intends to:

- (i) expand the scale of its BOP Business and not restrict its BOP Business to being only a part of its F&B business segment; and
- (ii) diversify into other industries other than the F&B industry in respect of the BOP Business.

The Group may, as part of the BOP Business, invest in or purchase or otherwise acquire or dispose of any such assets, investments and shares or interests in any entity that is in the BOP Business. Any business activities as aforesaid (including those listed in paragraph (a) to (c) above) shall upon approval of the Proposed Expansion and Diversification by the Shareholders at the forthcoming EGM, constitute part of the ordinary course of business of the Group. The Group may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the BOP Business as and when the opportunity arises.

Upon completion of the Proposed Disposal and subject to Shareholders' approval being obtained for the Proposed Expansion and Diversification, the business segments of the Group will be the F&B Business and the BOP Business. However, depending on the scale

LETTER TO SHAREHOLDERS

of the Group's operations, the BOP business may or may not be a core business of the Group in the future. Nevertheless, for the avoidance of doubt, the Group remains committed in the continuance of the F&B Business for so long as such business remain profitable and viable.

2.3 Shareholders' Approval

Paragraph 7(b) of Practice Note 10A of the Catalist Rules requires the Company to seek Shareholders' approval if an acquisition will change the risk profile of the Company. In this case, the Proposed Expansion and Diversification does not arise out of a potential acquisition that the Group has identified. However, as the Group intends to adopt the same business model and provide BOP services to companies in industries including but not limited to the F&B industry, the Group envisages that the Company and/or any of its subsidiaries may, in the future, enter into agreements relating to the provision of the BOP services to non-F&B companies.

Given that the nature of the BOP Business may be different from the two (2) business segments that the Group is presently involved in, being the F&B Business and the Cleaning and Dishwashing Business, the Proposed Expansion and Diversification may change the risk profile of the Group. The Company is therefore of the view that Shareholders should be given an opportunity to have their say on the Proposed Expansion and Diversification.

Accordingly, a separate resolution (Ordinary Resolution 1) has been included in this Circular to seek Shareholders' approval on the potential change in risk profile of the Group arising from the Proposed Expansion and Diversification.

For the avoidance of doubt, Shareholders should note that, in respect of the BOP Business, it is envisaged that the Company and/or its subsidiaries will enter into service agreements (the "**BOP Service Agreements**") with the relevant clients for the provision of the BOP Services to such clients. As these BOP Service Agreements do not constitute the acquisition or disposal of assets, such entry by the Company and/or its subsidiaries into the BOP Service Agreements do not constitute a "transaction" for the purpose of Rule 1002(1) of the Catalist Rules. Accordingly, in respect of such BOP Service Agreements, Chapter 10 of the Catalist Rules will not apply.

However, in the event that the Company and/or its subsidiaries undertake an acquisition of a company or an asset which is in the BOP Business, such acquisition will constitute a "transaction" under Rule 1002(1) of the Catalist Rules. Accordingly, notwithstanding the Proposed Expansion and Diversification, Shareholders should note the following in respect of such transactions:

- (a) Rules 1010 and 1014 of the Catalist Rules will apply;
- (b) where the Group enters into the first transaction (as defined in Rule 1002(1)) involving the BOP Business where any of the Rule 1006 figures in respect of such transaction exceeds 75%, (the "**First Major Transaction**"), or where any of the Rule 1006 figures in respect of several transactions aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval unless waived by the SGX-ST;

LETTER TO SHAREHOLDERS

- (c) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the issuer, Rule 1015 of the Catalist Rules will still apply to such transactions and such transactions must be, among others, made conditional upon approval by Shareholders at a general meeting; and
- (d) in respect of transactions which constitute an “interested person transaction” as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules.

In any event, the Company will comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

2.4 Rationale for Expanding the BOP Business and Venturing into Other Industries

In pursuit of the Group’s growth strategy and to improve Shareholders’ value, the Group has identified the BOP Business to be a suitable segment for the Group to expand (in terms of scale) and diversify (in terms of industry) into. The Proposed Expansion and Diversification is a strategic move for the Group as currently, the Group already has some experience in providing the BOP services albeit limited to the F&B Business. The existing joint venture between the Group and Ms Zhang Liying under Wish Hospitality provides an existing platform for the Group to assess the commercial viability and acquire the know-how of the BOP Business in the F&B industry. Through the joint venture with Wish Hospitality, the Group has also been able to establish business relationships with other service providers (i.e. the third party contractors that the Group may outsource its services) that complements the BOP services being provided by the Group. The Proposed Expansion and Diversification will enable the Group to continue to capitalise on the current business contacts available to the Group and, facilitate the Group to eventually expand and diversify its BOP Business. The Group also envisages that the expansion of the BOP Business will allow the Group to negotiate for more cost efficient rates with its third party service providers on the basis of the increased work being referred to such service providers.

In addition, with the Company proposing to undertake the Proposed Disposal, the Proposed Expansion and Diversification is expected to reduce the Group’s dependence on the Cleaning and Dishwashing Business. The Proposed Expansion and Diversification will therefore support the long term growth of the Group by allowing the Company to focus on the BOP Business and re-strategise and re-allocate its financial and capital resources towards the Proposed Expansion and Diversification.

2.5 Risk Factors in Relation to the Proposed Expansion and Diversification

To the best of the Directors’ knowledge and belief, as at the Latest Practicable Date, all the risk factors that are material to the Shareholders in making an informed decision on the Proposed Expansion and Diversification are set out below. Shareholders should carefully consider and evaluate the risk factors set out herein and all other information contained in this Circular.

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Any of the risks described below could materially and adversely affect the Group's ability to comply with its obligations, including those under the Catalist Rules, and may have a material adverse effect on the Company's or the Group's business, financial condition, operations and prospects. In that event, the market price of the Shares may decline, and the Shareholders may lose all or part of their investments in the Shares.

The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face. The Group could be affected by a number of risks which relate to the industries and countries in which the Group intends to operate as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial condition, operations and prospects.

The risks discussed below may include forward-looking statements and the Company's and the Group's actual results may differ substantially from those discussed in these forward-looking statements (if any). Shareholders should not place undue reliance on such forward-looking statements. Further, the Company and the Sponsor disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency. Sub-headings are for convenience only.

The following are potential risks associated with the Proposed Expansion and Diversification.

2.5.1 The BOP Business will be dependent on the demand of clients or companies who outsource their BOP services

The BOP Business will largely depend on demand from companies and clients to outsource the setting up and maintenance of their branding, operations and procurement activities (including human resource) to third party service providers instead of engaging permanent employees to perform such functions in-house. In the event that these companies or our existing clients decide to perform these functions in-house by employing their own staff, demand for our BOP services may decline. This may happen if these companies or clients find our BOP services are unreliable or too expensive. Additionally, if these BOP functions are easy to implement and carry out for certain industries, our clients may no longer require our BOP services. In such events, the business prospects and financial performance of the BOP Business will be adversely affected thus affecting the Group as a whole.

2.5.2 We may rely on third parties in providing the BOP services to our client which may subject us to risks of delays or unsatisfactory delivery of the BOP services by such third parties to our clients

In providing the suite of customised BOP services to our clients, we may outsource certain components of those services to third party service providers ("**3P Providers**"). Our reliance on these 3P Providers reduces our control over the quality of the BOP services that will be provided to the clients. For example, in engaging the 3P Providers, if the 3P Providers are unable to perform or they experience any financial or other difficulties, we may experience delays in delivery of service or issues concerning the quality or standard of the services delivered to our clients. In such event, we may be required to provide the relevant services to rectify any unsatisfactory service performed or seek alternate service providers on an urgent basis to perform the relevant service to meet the timelines which

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have been agreed with the clients. This will be time consuming and costly, and it may also be impracticable to begin to use new 3P Providers which we do not have established working relationships with. Such changes could cause significant interruptions to our BOP Business and could have an adverse impact on our ability to meet our clients' demands and expectation.

While we may mitigate such risks by (i) screening the 3P Providers that we engage to conduct the relevant BOP services for our clients, and (ii) having our employees closely monitor and keep track of the progress of each client's project to ensure that such delays or unsatisfactory performance of the BOP services do not happen in the first place, there is no assurance that the 3P Providers will not breach their contracts with us in relation to the provision of the outsource BOP services. If such delays or unsatisfactory performance of the BOP services were to arise due to the 3P Providers, this may lead to loss of clients, delayed (and/or reduced) revenues and an increase in our costs which could materially and adversely affect our business and operating results.

2.5.3 We may outsource certain essential services of our BOP Business to 3P Providers who may terminate their agreements with us, resulting in interruptions to the operations of our BOP Business

We may outsource certain components of the BOP services we provide to our client to 3P Providers. Typically, our agreements with the 3P Providers will provide that such agreements may be terminated without cause by either party upon specified notice periods. If a 3P Provider terminates its agreement with us and we are unable to replace it with another 3P Provider, our BOP Business operations may be interrupted. If an interruption were to subsist for a significant period of time, our revenue could decrease, we could experience losses and we could lose our clients.

2.5.4 If the reputation of any of the clients that we provide BOP services to is harmed in any territory, the reputation of our business may also be materially and adversely affect

Branding management forms part of the BOP services that we offer to our clients. For our clients which are in consumer-driven or consumer-centric industries such as F&B, fashion and retail, consumers' strong recognition of the brands is critical to our continued success and growth. Whilst we may deliver our services to meet the client's expectations, consumer perception of the brands that we manage depend on various factors that are not within our control, such as, for example, the quality of food and service provided by the client and the reputation of the client's outlets. We are also susceptible to negative reviews, which may be malicious or groundless, on platforms which have pervasive customer reach, such as internet forums, review websites or social media platforms. If the brand image of a client deteriorates, this may inadvertently reflect negatively on the quality of the branding management services that we provide. This may influence our clients to terminate our BOP services or prevent new clients from obtaining our BOP services. If such events were to occur, our business, results of operations and financial condition may be materially and adversely affected.

2.5.5 We anticipate our BOP service agreements with our clients to be for periods of up to one (1) – five (5) years, which exposes the Group to contract expiries each year

Currently, each service agreement entered into by our subsidiary, Wish Hospitality, with each of the F&B outlets for the provision of the BOP services is for an initial period of one (1) year. Each service agreement will be automatically renewed for an additional period of

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one (1) year; up to a maximum of 4 renewal terms, unless terminated by either party. For further information on these BOP service agreements, Shareholders may wish to refer to the announcement released by the Company on 29 April 2019.

We envisage that the agreements that we enter into with our clients for the provision of the BOP services will similarly be on a short term basis for periods of up to one (1) – five (5) years subject to negotiation between parties and the needs of the clients and the projects. As a result, the Group may be exposed to certain risks including the non-renewal of the BOP service agreements with us and any uprising trend for companies to arrange for such BOP services to be performed in-house as opposed to outsourcing it to us. If any of our clients decide not to renew or extend their agreements with us, there may be an adverse effect on the business, financial conditions and operations of the Group relating to the BOP Business.

2.5.6 The performance of our BOP Business may be affected by our clients' preference

Our BOP service engagement is dependent on our client's preference, which may be subjective in nature and which will likely differ depending on the industry that the client is in. In providing the BOP services, we will aim to customise the suite of BOP services we provide to the client's preference, feasibility, budget and specific needs. We believe that one of the major factors that will contribute to our continued success will be our responsiveness to our clients' preference and the ability to fulfill the needs and requirements of the client factoring in the nature of the industry that the client is in. Since preference and expectations vary from client to client, we must be able to anticipate, identify and respond promptly to each client's preference in order to achieve a continued success in the industry. If we fail to anticipate or respond to our clients' preference, or fail to introduce a commercially viable plan or fail to do so in a timely manner, our business and results of operations may be materially and adversely affected.

2.5.7 The failure to successfully manage our future growth may adversely affect our results of operations

We anticipate our business to become increasingly complex as we diversify our BOP Business into different industries. This diversification increases the complexity of our operations and places a significant strain on our management, operational and financial resources as we will need to be able to identify the different requirements of each industry and their varying market trends. While we may outsource certain of the BOP service we provide to 3P Providers, we must still continue to effectively hire, train and manage new employees who can apprise themselves of the constantly changing market trends of the different industries and be able to identify 3P Providers who can provide quality services for the particular industry at the most cost efficient rates. If our new hires perform poorly or if we are unsuccessful in hiring, training, managing and integrating new employees or if we are unable to find 3P Providers who are able to keep up with our operations and provide quality services, our business, financial condition and results of operations may be materially harmed.

Moreover, our current and planned personnel, systems, procedures and controls may not be adequate to support our future operations. To effectively manage the expected growth of our operations and personnel, we will need to continue to improve our transaction processing, operational and financial systems, procedures and controls, which could be challenging. These efforts will require significant managerial, financial and human resources. We cannot assure you that we will be able to effectively manage our growth or

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to successfully implement all these systems, procedures and control measures. If we are not able to manage our growth effectively, our business and prospects may be materially and adversely affected.

2.6 Risk Factors in Relation to the Entry into a New Business

2.6.1 Save for the BOP services provided to F&B outlets recently, the Group has limited prior track record and operating history in the BOP Business

As the Group has limited track record in carrying out the BOP Business, there is no assurance that the BOP Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the BOP Business. The BOP Business may require substantial capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses. The BOP Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the BOP Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Group will be affected by factors affecting the trends and developments affecting not only the F&B industry in general but also other industries in which our clients are in. These industries are in turn affected by general economic conditions, market sentiment and consumer confidence.

The Group's future plans with regard to the BOP Business may not be profitable, may not achieve the targeted sales levels and profitability that justify the investments made and may take a long period of time before the Group could realise any return. The activities of the BOP Business may entail financial and operational risks, including diversion of the management's attention in recruiting suitable personnel.

2.6.2 The Group may face intense competition from exiting competitors and new market entrants in the BOP Business and may not be able to maintain our competitiveness

We may face competition from a large and diverse group of 3P Providers in the industries where we will potentially have a presence. Our competitors may be well-established in the industries in which we will operate and may have substantially greater financial, marketing and other resources than us relating to a specific industry that they specialise in. We may compete by offering customised quality BOP services, and competitive pricing. In the event we are unable to maintain our competitiveness, our financial performance may be negatively affected.

2.6.3 The Group may not have the ability or sufficient expertise to execute the expansion into the BOP Business and the diversification into the different industries other than the F&B industry

The Group's ability to successfully diversify into the BOP Business in industries not limited to the F&B industry is dependent upon its ability to adapt its existing knowledge and expertise and leverage on such to navigate the BOP Business. There is no assurance that the Group's existing experience and expertise will be sufficient for the BOP Business now and in the future as it incrementally expands, or that the Group will be able to hire

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employees with the relevant experience and knowledge. The Group may not be able to successfully implement the BOP Business and this may adversely affect the Group's financial performance and profitability.

While the Group has planned its expansion into the BOP Business based on the Group's understanding of the current market outlook and general economic situation, there is no assurance that such plans will be commercially successful or that the actual outcome of the expansion into the BOP Business will match the Group's expectations. In such event, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

3. THE PROPOSED DISPOSAL

3.1 Introduction

The Company has, on 19 November 2019, announced that it has entered into the SPA with the Purchaser, pursuant to which the Company has agreed to transfer to the Purchaser the Sale Shares, representing 100% of the issued share capital in the Target, for an aggregate Consideration of S\$2,000,000.

3.2 Information on the Purchaser

- 3.2.1 The Purchaser is a company incorporated in Singapore. The principal activities of the Purchaser are investment holding and management consultancy services. The Purchaser is wholly owned by a businessman who is an acquaintance of Mr Pang.
- 3.2.2 Save for the foregoing, the Purchaser does not have any connection (including business relationship) with the Group, its Directors and substantial Shareholders.

3.3 Information on the Target

- 3.3.1 The Target is a wholly-owned subsidiary of the Company. It was incorporated in Singapore on 16 February 2012. Its principal business activities are in the provision of dishwashing services and automated cleaning services and solutions. The Target holds 100% shareholding interests in GS Hospitality, a company incorporated in Singapore which provides cleaning services including hotel-related dishwashing.
- 3.3.2 The Target also holds the title to the Loyang Property. As disclosed in the Group's annual report for FY2018, the Loyang Property was previously occupied by the Group for operational use. The Group currently does not need to conduct any operations at the Loyang Property and the Loyang Property is considered a non-core asset.
- 3.3.3 Based on the latest announced unaudited consolidated financial statements of the Group for HY2019:
- (a) the net liability value of the Target is approximately S\$8,700,000; and
 - (b) the net loss attributable to the Target is approximately S\$1,000,000.

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Based on the unaudited management accounts of the Target for the financial period for the nine (9) months ended 30 September 2019:

- (a) the net liability value of the Target is approximately S\$9,100,000; and
- (b) the net loss attributable to the Target is approximately S\$1,400,000.

The adjusted net asset value (the “**Adjusted NAV**”) of the Target is approximately S\$2,100,000. Please refer to Section 3.5.2 for more information on the computation of the Adjusted NAV. The financials of the Target Group are not materially different from that of the Target as GS Hospitality is currently a dormant company.

3.4 Independent Valuation

For the purpose of the Proposed Disposal, the Company has commissioned the Valuer, namely Cushman & Wakefield VHS Pte Ltd, to perform an independent valuation on 100% equity interest in the capital of the Target as at 30 September 2019. Based on the Valuation Report, the market value of 100% equity interest in the capital of the Target as at 30 September 2019 was in the range of S\$2.2 million to S\$2.7 million based on the income approach, with reference made to the market approach and cost approach. A copy of the Summary Valuation Report is set out in **Appendix A** of this Circular.

The Valuation Report does not take into account the distribution of cash and bank balances of the Target Group of approximately S\$400,000 based on the accounts of the Target Group as at 30 September 2019 that will be distributed to the Company on Completion pursuant to the SPA. Please refer to Section 3.5.3 below for more details relating to such condition precedent.

None of the Directors and/or the substantial Shareholders and/or their respective Associates has any interest, direct or indirect, in the Valuer. Neither the Purchaser nor its director and sole shareholder has any interest, direct or indirect, in the Valuer.

3.5 Principal Terms of the Proposed Disposal

3.5.1 The Proposed Disposal

Subject to the terms and conditions of the SPA, the Company shall sell to the Purchaser, and the Purchaser agrees to acquire from the Company, the Sale Shares. The Sale Shares represent 100% of the issued share capital of the Target.

The transfer of the Sale Shares to the Purchaser pursuant to the SPA is on a “zero cash” basis which means that all cash and bank balances in the bank account(s) held by the Target Group Companies up to Completion shall be distributed to the Company immediately before Completion. The foregoing is provided as a condition precedent to Completion. Please also refer to Section 3.5.3 of this Circular for the relevant term in the SPA.

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3.5.2 Consideration

Pursuant to the SPA, the aggregate consideration payable by the Purchaser for the Sale Shares is S\$2,000,000 (the “**Consideration**”). The Consideration shall be payable in two (2) tranches, as follows:

- (a) an amount equivalent to S\$400,000 payable on the Completion Date; and
- (b) an amount equivalent to S\$1,600,000 payable within six (6) months from the Completion Date.

The Consideration shall be satisfied by the Purchaser entirely in cash and was arrived at after arm’s length negotiations and on a willing-buyer willing-seller basis, after taking into consideration the Adjusted NAV of the Target of approximately S\$2,100,000 as at 30 September 2019 and the Valuation Report.

The Adjusted NAV is arrived at by deducting and adjusting for the following items from the net liability value of the Target of approximately S\$9,100,000 as at 30 September 2019:

- (i) addition of S\$12,000,000, being the waiver by the GS Group of such amounts approximately owed by the Target Group to the GS Group as at 30 September 2019;
- (ii) reduction of S\$700,000, being the difference between the current market value of the Loyang Property of S\$7,500,000 (based on the Property Valuation Report as set out in **Appendix B** of this Circular) and the net book value of the Loyang Property as at 30 September 2019 of S\$8,200,000;
- (iii) addition of S\$520,000, being non-payment liabilities relating to deferred income;
- (iv) reduction of S\$400,000, being the estimated cash and bank balances in the Target Group that will be distributed to the Company immediately before Completion; and
- (v) reduction of S\$220,000, being other net adjustments such as additional provision for doubtful debts and reinstatement costs for rented properties which are deemed fair and reasonable to reflect the true fair value of the Target.

The Company has agreed to the Consideration of S\$2,000,000 being at a discount of approximately 5% of the Target’s Adjusted NAV of S\$2,100,000, having considered that the Target has been loss making for the past three (3) financial years and that the Proposed Disposal is undertaken on a “zero cash” basis.

For accounting purposes, the non-payment liabilities of approximately S\$520,000 as set out in sub-paragraph (iii) above will remain in the books of the Target after Completion. Therefore the adjusted book value of the Target will be approximately S\$1,580,000 as at 30 September 2019, being the Adjusted NAV of approximately S\$2,100,000 less the non-payment liabilities approximately S\$520,000.

The Consideration of S\$2,000,000 represents an excess of approximately S\$420,000 over the adjusted book value of the Target of S\$1,580,000. Accordingly, the Group will recognise a gain of approximately S\$420,000 from the Proposed Disposal.

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The estimated net proceeds from the Proposed Disposal, after deducting expenses of approximately S\$100,000 incurred in connection with the Proposed Disposal, is expected to amount to approximately S\$1,900,000. The Company intends to use the net proceeds from the Proposed Disposal solely for working capital purposes.

3.5.3 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 obtaining such approval(s) required from the Board in connection with the SPA and the transactions contemplated therein;
- (b) the Company receiving all necessary approvals from its Shareholders at the EGM to be convened including such approvals as may be required pursuant to the Catalist Rules and other applicable laws, such approvals having been obtained (each on terms and conditions acceptable to the parties, each acting reasonably), remaining in full force and effect and not being revoked or amended);
- (c) in respect of each party and the Target (as the case may be), all consents and approvals as may be required or appropriate for or in connection with the sale and purchase of the Sale Shares or the transactions contemplated in the SPA having been obtained and not withdrawn or revoked by such third parties and where any such consents and approvals are obtained subject to any conditions, such conditions being acceptable to the parties;
- (d) business and operational, financial and legal due diligence on the Target and Target Group having been completed by the Purchaser, and the results of the such due diligence being satisfactory to the Purchaser (acting reasonably); and
- (e) all cash and bank balances in all bank account(s) held by the Target Group Companies up to Completion having been distributed to the Company, and the Company having confirmed receipt of such cash to its satisfaction.

3.5.4 Completion

Completion shall take place within 14 calendar days after the fulfilment of all of the conditions precedent under the SPA, unless they are waived by the relevant parties in accordance with the SPA (the “**Completion Date**”).

3.5.5 Purchaser’s Post-Completion Undertaking

Repayment of Relevant Amounts

Pursuant to the SPA, the Purchaser shall procure each Target Group Company to repay the Relevant Amounts to the GS Group Companies within six (6) months from the completion of the Proposed Disposal. For purposes herein:

- (a) “**Relevant Amounts**” refers to all Payables owing by a Target Group Company and due to any of the GS Group Companies and which have been accrued at any time during the period commencing on and from 1 October 2019 until completion of the Proposed Disposal; and

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- (b) “**Payables**” refers to payments made by the relevant GS Group Companies on behalf of a Target Group Company including but not limited to service payments, utilities bill, trade payables to suppliers and repayment of bank loans.

Discharge of Securities

The Company has also provided securities to secure certain loans taken out by the Target in the form of corporate guarantee by the Company. Pursuant to the SPA, the Purchaser shall do all things necessary and as may be required by the Vendor to:

- (a) procure the release by the relevant bank(s); and
- (b) full discharge by the Company,

of all securities provided by the Company (or any GS Group Company) in respect of loans extended by the relevant bank(s) to the Target Group, within three (3) months from Completion, including but not limited to the provision by the Purchaser of such replacement securities as may be required by the relevant bank(s) in respect of the foregoing loans. The Purchaser also agrees that the Company shall not be obliged to provide any such securities for the benefit of the Target Group after such date falling three (3) months from Completion.

In addition, as set out in the Group’s Annual Report for FY2018, Shareholders should note that certain of the Group’s loans and borrowings are secured by a legal mortgage over the Loyang Property. As such loans and borrowings are taken out by the Target (being the borrower), the GS Group will no longer have access to such loans after Completion. This will however not negatively affect the operations of the GS Group as the GS Group is no longer reliant on such loans for its operations.

3.5.6 Long Stop Date

If any of the conditions precedent for the Proposed Disposal is not fulfilled or waived by the relevant parties (subject to whether such condition precedent is capable of being waived by the relevant party) by the Long Stop Date (as defined below) in respect of the SPA, 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 Company and the Purchaser have agreed that the long stop date for the Proposed Disposal (the “**Long Stop Date**”) shall be such date falling (6) months from the date of the SPA or such other date as the parties may mutually agree in writing.

3.6 **Rationale for the Proposed Disposal**

While the business of the Target had represented a significant business segment (being the dishware washing and cleaning services business) for the Group in terms of revenue and asset contribution, the Target had been loss-making. Based on the audited consolidated financial statements of the Group for FY2018, the Group reported a net loss of approximately S\$3,500,000, of which such loss was mainly attributable to the Target.

The Group had in the earlier part of the current financial year ending 31 December 2019 diversified into the food and beverage business which has shown promising and positive results. Conversely, the Board believes that the Company’s continued investment in the Target is unlikely to reap any material benefits in the foreseeable future without significant

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additional capital investment. The Proposed Disposal will thus allow the Company to focus on its other business and re-strategise and re-allocate its financial and capital resources, resulting in more working capital for the expansion of the Group's F&B business. In addition, the Company wishes to also utilise some of its financial and capital resources in the expansion of the BOP Business, in the event Shareholders' approval has been obtained for the Proposed Expansion and Diversification. In this regard, the Company believes that the foregoing re-stratification and re-allocation of resources may result in higher value to the Shareholders.

3.7 Relative Figures under Chapter 10 of the Catalyst Rules

3.7.1 Relative Figures computed on the bases set out in Rule 1006 of the Catalyst Rules

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalyst Rules in respect of the Proposed Disposal and based on the latest announced consolidated financial statements of the Group for HY2019 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.	11% ⁽¹⁾
Rule 1006(b) The net loss attributable to the assets disposed, compared with Group's net profits ⁽²⁾	(12%) ⁽³⁾
Rule 1006(c) The aggregate value of the consideration given, compared with the Company's market capitalisation ⁽⁴⁾ based on the total number of issued shares excluding treasury shares	1% ⁽⁵⁾
Rule 1006(d) The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable as the Company is disposing interest in its subsidiary
Rule 1006(e) 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 as the Company is not a mineral, oil and gas company

Notes:

- (1) The net liability value of the assets to be disposed of is approximately S\$8,700,000 for HY2019, as compared to the Company's net asset value of approximately S\$19,000,000 for HY2019, based on the latest announced consolidated accounts of the Group, is approximately 46%.

For illustrative purposes, based on the Adjusted NAV of the Target of S\$2,100,000 as at 30 September 2019, as compared to the Company's net asset value of approximately S\$19,000,000 for HY2019, the relative figure under Rule 1006(a) would be approximately 11%.

- (2) For the purpose of computation of the net profit (or net loss) figures, in compliance with Rule 1002(3)(b) of the Catalyst Rules, "net profits" or "net loss" means profit or loss before income tax, minority interests and extraordinary items.

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- (3) The net loss attributable to the Proposed Disposal is determined based on the net loss of approximately S\$1,000,000 of the Target for HY2019 and the latest net profit of the Group of approximately S\$8,550,000 for HY2019 based on the latest announced consolidated accounts of the Group.
- (4) The Company's market capitalisation is approximately S\$137,000,000 derived by multiplying the issued share capital of the Company of 184,993,260 Shares by the volume weighted average price of such Shares transacted on 15 November 2019 (being the last full market day immediately preceding the date of the SPA on which Shares were traded), of S\$0.74 per Share. The Company does not have any treasury shares.
- (5) The aggregate consideration of S\$2,000,000 is approximately 1% of the Company's market capitalisation of approximately S\$137,000,000.

3.7.2 Shareholders' Approval

The relative figures computed based on Rule 1006(b) of the Catalist Rules is negative in 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. However, as the Proposed Disposal relates to a disposal of a key business segment as highlighted in Section 3.6, the Company is seeking Shareholders' approval for the Proposed Disposal at the EGM to be convened.

3.8 Financial Effects of the Proposed Disposal

3.8.1 Bases and Assumptions

The financial effects of the Proposed Disposal on the share capital, NTA per Share and EPS or LPS of the Group have been prepared based on the latest announced audited consolidated financial statements of the Group for FY2018. The *pro forma* financial effects of the Proposed Disposal are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following completion of the Proposed Disposal.

For illustration purposes only, the financial effects of the Proposed Disposal 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 Disposal was completed on 31 December 2018, being the end of the most recently completed financial year;
- (b) the financial effects on the Group's earnings/loss attributable to the Shareholders and EPS/LPS have been computed assuming that the Proposed Disposal was completed on 1 January 2018, being the beginning of the most recently completed financial year; and
- (c) that the expenses in connection with the Proposed Disposal have been disregarded.

3.8.2 Share Capital

	Before Completion	After Completion
Number of Shares	184,993,260	184,993,260
Issued and paid-up share capital (S\$'000)	22,795	22,795

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3.8.3 NTA per Share

	Before Completion	After Completion
NTA attributable to Shareholders (S\$'000)	551	1,044
Number of Shares	132,000,000	132,000,000
NTA per Share attributable to Shareholders (Singapore cents)	0.42	0.79

3.8.4 EPS/LPS

	Before Completion	After Completion
Net (loss)/profit attributable to Shareholders (S\$'000)	(3,551)	597
Weighted average number of Shares	132,000,000	132,000,000
(LPS)/EPS (Singapore cents)	(2.69)	0.45

Please note that the above financial figures are for illustrative purpose only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Disposal. No representation is made as to the actual financial position and/or results of the Company after completion of the Proposed Disposal.

3.9 **Service Agreements**

No new directors are proposed to be appointed to the Board in connection with the Proposed Disposal. Accordingly, no service agreements will be entered into with any new director of the Company in connection with the Proposed Disposal.

4. **THE PROPOSED PARTICIPATION IN THE GS ESOS AND THE PROPOSED GRANT OF OPTIONS**

4.1 **Introduction**

The GS ESOS was adopted by the Company pursuant to the approval of Shareholders obtained on 17 December 2015. The GS ESOS 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.

Under the Catalist Rules and the rules of the GS ESOS, Controlling Shareholders and Associates of Controlling Shareholders are eligible to participate in the GS ESOS if each of (i) their participation in the GS ESOS; and (ii) the actual number of Options to be granted to them and the terms of Options to be granted to them, has been approved by independent Shareholders of the Company in a general meeting in separate resolutions for each such person. For the purposes of obtaining such approval from independent Shareholders, (a) clear justifications for the participation of such Controlling Shareholders or their

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Associates, and (b) clear rationales for the terms of the Options to be granted to such Controlling Shareholders or their Associates, are set out in Sections 4.2 to 4.4 of this Circular below.

Pursuant to Rule 852 of the Catalist Rules, independent Shareholders' approval is being sought for the participation by, and grant of Options to, Mr Pang (being a Controlling Shareholder) and Ms Eliss Pang (being an Associate of a Controlling Shareholder) in the GS ESOS, respectively, by way of Ordinary Resolutions 3 and 4 (in respect of Mr Pang) and Ordinary Resolutions 5 and 6 (in respect of Ms Eliss Pang), as set out in the Notice of EGM.

4.2 Rationale for participation in the GS ESOS by Controlling Shareholders and their Associates

The GS ESOS contemplates the award of Options to participants as determined by the Remuneration Committee in accordance with the terms of the GS ESOS.

The Company believes that as the GS ESOS is designed to motivate, retain and reward employees and Directors who contribute to the growth and profits of the Company, employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders should be entitled to the same benefits as other employees and should not be excluded from benefiting under the GS ESOS solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. It is in the Group's interest that these participants who have been actively contributing to the Group's progress and development are given the incentive to continue to remain with the Group and contribute towards the Group's future progress and development.

In addition, it is noted that the terms of the GS ESOS do not differentiate between employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders and other Directors and employees who are not such persons. As such, Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders will be subject to the same rules as other employees.

The Board is of the view that there are sufficient safeguards against any abuse of the GS ESOS resulting from the participation of Directors and employees who are Controlling Shareholders or Associates of Controlling Shareholders.

4.3 Rationale and Justification for Participation by Mr Pang and Terms of the Proposed Grant of Options to Mr Pang

4.3.1 Rationale and justification for participation by Mr Pang

Mr Pang is the Chief Executive Officer and Executive Chairman of the Group, and a Controlling Shareholder. As at the Latest Practicable Date, Mr Pang has, in aggregate, a direct and deemed interest in 106,079,705 Shares representing approximately 57.34% of the total number of issued Shares (excluding treasury shares). Mr Pang is in charge of the overall management of the Group and is responsible for the Group's overall business strategy and development.

The Directors are of the view that Mr Pang has been instrumental in commencing new initiatives for the future expansion of the Group's business (including the Group's expansion plans into the F&B business locally and in the PRC).

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The Directors are of the view that the proposed grant of the Options is consistent with the Company's objectives to motivate its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Pang already has a Controlling Interest in the Company, the grant of the Options to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Company. Due to the above reasons, the Directors believe that Mr Pang deserves and should be allowed to participate in the GS ESOS.

In view of the above reasons, the Directors propose to grant 1,400,000 Options to Mr Pang, subject to the approval by independent Shareholders at the EGM to be convened.

4.3.2 Proposed grant of Options to Mr Pang

For the reasons set out in Section 4.3.1 above, subject to and contingent upon the passing of Ordinary Resolution 3 at the EGM to be convened, it is proposed that independent Shareholders' approval be sought by way of Ordinary Resolution 4 as set out in the Notice of EGM for authority to be given to the Remuneration Committee to grant Options to Mr Pang on the following terms:–

Proposed Date of Grant of Options	:	Any time within four (4) weeks from the date of the forthcoming EGM
Exercise Price of Options Granted (" Exercise Price ")	:	Market Price For illustration purposes only, the Market Price of the Shares as at the Latest Practicable Date is S\$0.721
Number of Options Proposed to be Granted	:	1,400,000 Options comprising 1,400,000 Shares (representing 0.76% of the total issued Shares as at the Latest Practicable Date)
Validity Period of Options Granted	:	Two (2) years from the date of the grant of the Options
Exercise Period of Options Granted	:	Pursuant to the rules of the GS ESOS, as the Options are to be granted with the Exercise Price set at Market Price, the exercise period for the Options commences from the date falling one (1) year from the date of grant of such Options, provided that the Options shall be exercised within the validity period as stated above, failing which all unexercised Options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

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4.4 Rationale and Justification for Participation by Ms Eliss Pang and Terms of the Proposed Grant of Options to Ms Eliss Pang

4.4.1 Rationale and justification for participation by Ms Eliss Pang

Ms Eliss Pang joined the Group in 2015 as a Special Projects Manager and was promoted to Director of Operations in June 2018. Since joining the Group, Ms Eliss Pang has implemented various measures to improve the efficiency of the Group's existing dishwashing business and reduce its operating costs. As a result of her efforts, there was a substantial reduction in the Group's operating costs.

Ms Eliss Pang is also the daughter of Mr Pang, the Controlling Shareholder, Executive Chairman and Chief Executive Officer of the Company and therefore an Associate of a Controlling Shareholder. As at the Latest Practicable Date, Ms Eliss Pang holds 100,000 Shares granted to her under the GS PSP.

The Directors are of the view that the proposed grant of the Options is consistent with the Company's objectives to motivate its key employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. The grant of the Options to her will ensure that she is equally entitled, with the other employees, to take part in and benefit from this system of remuneration, thereby enhancing her long term commitment to the Company. Due to the above reasons, the Directors believe that Ms Eliss Pang deserves and should be allowed to participate in the GS ESOS.

In view of the above reasons, the Directors propose to grant 600,000 Options to Ms Eliss Pang, subject to the approval by independent Shareholders at the EGM to be convened.

4.4.2 Proposed grant of Options to Ms Eliss Pang

For the reasons set out in Section 4.4.1 above, subject to and contingent upon the passing of Ordinary Resolution 5 at the EGM, it is proposed that independent Shareholders' approval be sought by way of Ordinary Resolution 6 as set out in the Notice of EGM, for authority to be given to the Remuneration Committee to grant an Option to Ms Eliss Pang on the following terms:

Proposed Date of Grant of Options	:	Any time within four (4) weeks from the date of the forthcoming EGM
Exercise Price of Options Granted	:	Market Price For illustration purposes only, the Market Price of the Shares as at the Latest Practicable Date is S\$0.721
Number of Options Proposed to be Granted	:	600,000 Options comprising 600,000 Shares (representing 0.32% of the total issued Shares as at the Latest Practicable Date)
Validity Period of Options Granted	:	Two (2) years from the date of the grant of the Options

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Exercise Period of Options Granted : Pursuant to the rules of the GS ESOS, as the Options are to be granted with the Exercise Price set at Market Price, the exercise period for the Options commences from the date falling one (1) year from the date of grant of such Options, provided that the Options shall be exercised within the validity period as stated above, failing which all unexercised Options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

4.5 Catalyst Rules and the Rules of the GS ESOS

4.5.1 Limitation on the size of the GS ESOS

Under the rules of the GS ESOS:–

- (a) The aggregate number of Shares over which the Remuneration Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the GS ESOS and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the date on which an offer to grant an Option is made pursuant to the GS ESOS.

As at the Latest Practicable Date, the total number of Shares (excluding treasury shares) in issue of the Company is 184,993,260. Accordingly, assuming that the Options are granted on the Latest Practicable Date, the total number of shares in respect of all Options or Awards granted the GS ESOS and GS PSP shall not exceed 27,748,989.

- (b) The aggregate number of Shares which may be issued or transferred pursuant to Options under the GS ESOS to participants who are Controlling Shareholders and their Associates shall not exceed twenty-five per cent. (25%) of the Shares available under the GS ESOS.
- (c) The number of Shares which may be issued or transferred pursuant to Options under the GS ESOS to each participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Shares available under the GS ESOS.

As at the Latest Practicable Date:

- (i) since the commencement of the GS ESOS on 17 December 2015, the Company has granted an aggregate of 3,300,000 Options to certain Directors, being Mr Liu Changsheng, Mr Zhang Rongxuan, Mr. Chong Eng Wee, Mr Lim Kee Way Irwin and Mr Chan Chun Kit, and to a selected employee of the Company. Said employee is not an Associate of any Controlling Shareholder;

LETTER TO SHAREHOLDERS

- (ii) since the commencement of the GS PSP on 17 December 2015, the Company has issued an aggregate of 225,000 Award Shares to Mr Pang and Ms Eliss Pang, an aggregate of 126,000 Award Shares to certain former Directors, being Mr Lee Dah Khang, Mr Chow Kek Tong, and Mr Chua Kern, and an aggregate of 202,000 Award Shares to selected employees of the Company pursuant to the vesting of Awards granted to such persons;
- (iii) taking into consideration all the Options and Awards Shares issued since the commencement of the GS ESOS and GS PSP as set out in paragraphs (i) and (ii) above, the aggregate number of Shares over which the Remuneration Committee may still grant Options pursuant to the GS ESOS is 23,895,989 Shares, and therefore the grant of Options to Mr Pang and Ms Eliss Pang is within the limits set out in paragraph (a) above;
- (iv) the aggregate number of Shares to be issued and/or transferred pursuant to the grant of the Options to participants who are Controlling Shareholders and their Associates, being Mr Pang and Ms Eliss Pang, is 2,000,000 Shares representing approximately 8.37 per cent. (8.37%) of the Shares available under the GS ESOS, which is within the limits set out in paragraph (b) above;
- (v) the number of Shares to be issued and/or transferred pursuant to the grant of the Options to Mr Pang, being a Controlling Shareholder, is 1,400,000 Shares, representing approximately 5.86 per cent. (5.86%) of the Shares available under the GS ESOS, which is within the limits set out in paragraph (c) above; and
- (vi) the number of Shares to be issued and/or transferred pursuant to the grant of the Options to Ms Eliss Pang, being an Associate of a Controlling Shareholder, is 600,000 Shares, representing approximately 2.51 per cent. (2.51%) of the Shares available under the GS ESOS, which is within the limits set out in paragraph (c) above.

4.5.2 Announcements relating to the Options to Mr Pang and Ms Eliss Pang

Pursuant to the Rule 704(32) of the Catalist Rules, if approved by independent Shareholders, the Company will make an announcement on the date of the offer of the Options to Mr Pang and Ms Eliss Pang and provide details, including (a) the date of grant, (b) exercise price of Options granted, (c) number of Shares comprised in the Options granted, (d) the market price of its Shares on the date of grant, the (e) number of Options granted to each Director and Controlling Shareholders (and each of their Associates), if any, and (f) the validity period of the Options.

4.5.3 Ranking of Shares

The new Shares to be issued and allotted pursuant to the grant of Options under the GS ESOS shall be subject to all provisions of the Constitution 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 for which is prior to the date such Option is exercised.

4.6 **Potential Cost**

The GS ESOS will increase the issued share capital of the Company to the extent of the new Shares that will be issued and allotted pursuant to the exercise of Options. Under the Financial Reporting Standard 102 on Share-based Payment, the fair value of employee

LETTER TO SHAREHOLDERS

services received in exchange for the grant of the options would be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each option granted at the grant date and the number of options vested by vesting date, with a corresponding increase in equity.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and substantial Shareholders in the Shares of the Company, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, respectively, as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Pang Pok	2,079,705	1.12	104,000,000 ⁽²⁾	56.22
Chong Eng Wee⁽³⁾	–	–	–	–
Chan Chun Kit⁽⁴⁾	–	–	–	–
Lim Kee Way Irwin⁽⁵⁾	–	–	–	–
Liu Changsheng⁽⁶⁾	–	–	–	–
Zhang Rongxuan⁽⁷⁾	–	–	–	–
Substantial/Other Shareholders				
Ang Siew Kiock⁽⁸⁾	14,000,000	7.57	92,079,705	49.77
Marvel Earn Limited	18,655,555	10.08	–	–
Zhang Liying⁽⁹⁾	–	–	18,655,555	10.08

Notes:

- (1) Based on 184,993,260 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr Pang is deemed to be interested in the 50,000,000 Shares held through UOB Nominees Private Limited, 40,000,000 Shares held through BMO Private Bank as well as 14,000,000 Shares held by his spouse, Ms Ang Siew Kiock.
- (3) Mr Chong Eng Wee holds 500,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (4) Mr Chan Chun Kit holds 500,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (5) Mr Lim Kee Way Irwin holds 500,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (6) Mr Liu Changsheng holds 600,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (7) Mr Zhang Rongxuan holds 600,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (8) Ms Ang Siew Kiock is deemed to be interested in the 92,079,705 Shares held directly and indirectly by her spouse, Mr Pang.
- (9) Ms. Zhang Liying is the sole shareholder of Marvel Earn Limited, and is deemed interested in the 18,655,555 Shares held by Marvel Earn Limited, by virtue of Section 7 of the Companies Act.

LETTER TO SHAREHOLDERS

Save for (i) the Purchaser's connection with the Group as disclosed herein, (ii) the Directors' and substantial Shareholders' shareholding interests and/or directorships in the Company (if any and as the case may be) set out above, and (iii) Mr Pang's and Ms Eliss Pang's (being an Associate of Mr Pang) interests as disclosed in this Circular, none of the Directors or their Associates or, as far as the Company is aware, substantial Shareholders or their Associates, has any interest, direct or indirect, in the Proposed Disposal, the Proposed Participation in the GS ESOS and the Proposed Grant of Options.

6. ABSTENTION FROM VOTING

Pursuant to Rule 858 of the Catalist Rules, all Shareholders who are eligible to participate in the GS ESOS shall abstain, and undertake that their Associates abstain, from voting on Ordinary Resolutions 3, 4, 5 and 6 as set out in the Notice of EGM at the EGM.

Further, all Shareholders who are eligible to participate in the GS ESOS shall decline, and undertake that their Associates shall decline appointment(s) as proxy(ies) to vote at the EGM unless the Shareholders concerned have provided specific instructions as to the manner in which his/her/its votes are to be cast at the EGM.

The Company will disregard any votes cast by such Shareholder who is eligible to participate in the GS ESOS in respect of Ordinary Resolutions 3, 4, 5, and 6 as set out in the Notice of EGM.

7. DIRECTORS' RECOMMENDATION

7.1 The Proposed Expansion and Diversification

The Board, having considered, among others, the rationale for the Proposed Expansion and Diversification as set out in Section 2.4 of this Circular, are of the opinion that the Proposed Expansion and Diversification is in the best interests of the Company and are not prejudicial to the interests of the Shareholders.

Accordingly, the Board unanimously recommend that Shareholders vote in favour of the Ordinary Resolution 1 in respect of the Proposed Expansion and Diversification set out in the Notice of EGM at the forthcoming EGM.

7.2 The Proposed Disposal

Due to the sole shareholder of the Purchaser being an acquaintance of Mr Pang, in the interests of good corporate governance, Mr Pang has agreed to abstain (and has abstained) from the Board's review and determination, and making recommendations to Shareholders in relation to the Proposed Disposal.

Having considered the rationale for the Proposed Disposal in Section 3.6 of this Circular, the Board (excluding Mr Pang) are unanimously of the opinion that the Proposed Disposal is in the best interests of the Company and are not prejudicial to the interests of the Shareholders.

Accordingly, the Board (excluding Mr Pang) unanimously recommend that Shareholders vote in favour of the Ordinary Resolution 2 in respect of the Proposed Disposal set out in the Notice of EGM at the forthcoming EGM.

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7.3 The Proposed Participation in the GS ESOS and the Proposed Grant of Options

Mr Pang is interested in the Proposed Participation in the GS ESOS and the Proposed Grant of Options. Accordingly, he shall abstain from the Board's review and determination, and making recommendations to Shareholders in relation to the Proposed Participation in the GS ESOS and Proposed Grant of Options.

The Board (excluding Mr Pang) having carefully considered, *inter alia*, the rationale and the terms of the proposed participation by and grant of Options to Mr Pang and Ms Eliss Pang, are of the opinion that it is in the best interests of the Company. Accordingly, they recommend that independent Shareholders vote in favour of Ordinary Resolutions 3, 4, 5 and 6 set out in the Notice of EGM at the forthcoming EGM.

8. NOTE TO SHAREHOLDERS

Shareholders, in deciding whether to vote in favour of the resolutions, should read carefully the terms and conditions, rationale and financial effects (where applicable) of the Proposed Expansion and Diversification, the Proposed Disposal, the Proposed Participation in the GS ESOS, and the Proposed Grant of Options. In giving the above recommendations, the Board (save for Mr Pang being an interested Director abstaining from making such recommendation, as set out in Section 7 of this Circular) have had no regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors (save for Mr Pang being an interested Director abstaining from making such recommendation, as set out in Section 7 of this Circular) recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Expansion and Diversification, the Proposed Disposal, the Proposed Participation in the GS ESOS and Proposed Grant of Options, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held on Monday, 30 December 2019, at 8 Loyang Way 4, Singapore 507604 at for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

11.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wishes to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a proxy form (the “**Shareholder Proxy Form**”) which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach at the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so or if he so wishes. In such an event, the Shareholder Proxy Form will be deemed to be revoked.

11.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

12. CONSENT

Each of the Valuer, M/S Cushman & Wakefield VHS Pte Ltd, and Property Valuer, PREMAS Valuers & Property Consultants Pte. Ltd., have given and have not withdrawn their respective written consents to the issue of this Circular and the inclusion of their name, the Summary Valuation Report and Property Valuation Report (respectively) and all references thereto, in the form and context in which they appear in this Circular.

13. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 8 Loyang Way 4 Singapore 507604, during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the SPA;
- (b) the Annual Report of the Company for FY2018;
- (c) the Constitution of the Company;
- (d) the Valuation Report;
- (e) the Property Valuation Report;

LETTER TO SHAREHOLDERS

- (f) the letter of consents from each of the Valuer and Property Valuer, as referred to in Section 12 of this Circular; and
- (g) the Offer Document, which sets out the Rules of the GS ESOS, among others.

Yours faithfully

For and on behalf of the Board of Directors of

GS HOLDINGS LIMITED

Pang Pok
Executive Chairman and Chief Executive Officer

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APPENDIX A – SUMMARY VALUATION REPORT

Strictly Confidential – For Addressee Only



Valuation of 100% equity interest in the capital of Target
(as defined herein)

Prepared for
GS Holdings Limited

Report Date
13 December 2019

Ref: 19/RY-IC-AN/BV0069-2

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



Executive Summary

Valuation of 100% equity interest in the capital of the Target (as defined herein)

Date of Valuation: 30 September 2019

Purpose: Public disclosure purpose

Situation: GS Holdings Limited (“GSH” or “Company”) is Singapore’s leading centralized commercial dishware washing company that specializes in providing end to end cleaning services for Singapore’s food and beverage industry.

We understand that the Company is planning to undertake disposal in relation to its 100% equity interest in the capital of GreatSolutions Pte Ltd (“GS” or “Target”) (“Proposed Disposal”). Incorporated in 2012, the Target is a core subsidiary of the Company and its principal business activity is the provision of dishwashing services and automated cleaning services and solutions.

As a result of the Proposed Disposal, the Company would like to perform a valuation of 100% equity interest in the capital of Target as at 30 September 2019 (“Valuation Date”).

Subject Matter: 100% equity interest in the capital of Target

Basis of Valuation: Market Value

Other Details: Based on Income Approach and our analysis, we are of the opinion that the Market Value of 100% equity interest in the capital of the Target as at Valuation Date, subject to the assumptions stated herein, is in the region of S\$2.2 million to S\$2.7 million.

For reference, the following table illustrates the results of the valuation based on both Market Approach and Cost Approach, which are purely for reference purposes only and do not reflect Market Value of 100% equity interest in the capital of the Target as at Valuation Date.

<i>SGD/million, unless otherwise stated</i>	
Market Approach	2.2 – 3.7
Cost Approach	2.5

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



Valuation of 100% equity interest in the capital of the Target (as defined herein)

Having regard to the foregoing and the present market conditions, we are of the opinion that the Market Value of the 100% equity interest in the capital of the Target as at Valuation Date, subject to the assumption stated herein, is in the region of: -

S\$2.2 million to S\$2.7 million

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



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Fax +65 6535 1028
www.cushmanwakefield.com

A Valuation Report

To: GS Holdings Limited
Subject Matter: 100% equity interest in the capital of Target
Report Date: 13 December 2019
Valuation Date: 30 September 2019

1. Introduction and Instructions

Appointment

In accordance with your instructions, we have assessed and determined the Market Value of 100% equity interest in the capital of the Target. We are pleased to submit our summarised valuation report (“Report”), which has been prepared for public disclosure purpose to seek shareholders’ approval pursuant to the Proposed Disposal and should be read in conjunction with the full valuation report dated 13 December 2019 (“Full Report”).

2. Terms of reference

Cushman & Wakefield VHS Pte Ltd (“C&W”) has been appointed to undertake an independent valuation of 100% equity interest in the capital of Target. We were neither a party to the negotiations entered into by the Company and its subsidiaries (“the Group”) in relation to the Proposed Disposal nor were we involved in the deliberation leading up to the decision on the part of the management of the Group, Company and/or Target (the “Management”) to enter into the Proposed Disposal and we do not, by the Report or Full Report or otherwise, advise or form any judgement on the merits of the Proposed Disposal. We do not warrant the merits of the Proposed Disposal or the acceptability of the risk for the Proposed Disposal.

We have confined our evaluation strictly and solely on the financial of the Target and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Disposal or the strategic merits or the comparison with other deals involving shares of the Group, Company and/or Target. We were not required to comment on or evaluate the methods or procedures used by the Target to manage the change in any risk profile of the Group, Company and/or Target in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in the Report or the Full Report.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Disposal. In addition, we do not express any views or opinion on the merits of the Proposed Disposal, the legality of the or any other and all other matters pertaining to the Proposed Disposal, documents for the Proposed Disposal (the notice of meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of information.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



In the course of our evaluation, we have held discussions with, *inter alia*, the Management, regarding their assessment of the Proposed Disposal and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Group, Company and/or Target may be subject to for the Proposed Disposal.

We were not required to and have not made any independent evaluation or appraisal of the individual assets and liabilities (including without limitation, real property) of the Target. Our opinion in this Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases or assumptions and likewise our views or opinion may change in light of developments which *inter alia*, includes general as well as company specific or industry specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance after the Valuation Date or developments both macro and company specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target. Likewise, this Report outlines some of the matters or bases or factors or assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in the valuation.

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of the Group, Company and/or Target (the "Shareholder"). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Group, Company and/or Target, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Report and provided by the Group, Company and/or Target which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Report and the Full Report in its entirety.

Accordingly, our Report, Full Report or opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Management, subject to the terms of reference and the contents of the Report and Full Report as one of the

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



basis for their opinion or views or recommendation. In addition, any references to our Full Report or Report or opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Report or the Full Report in its entirety *inter alia* the matters, conditions, assumptions, factors and bases as well as our terms of reference for the Full Report or the Report.

3. Bases of Valuation

The valuation has been prepared in accordance with International Valuation Standards.

Bases

The subject matter has been valued on the basis of Market Value as at the Valuation Date which is defined as follows:

“The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

4. Assumptions and Reservations

Assumptions

In preparing our assessment, we have made the following key assumptions in our valuation and these apply throughout unless otherwise stated:

- The financial information provided accurately reflects the Target’s financial and operating position and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted internationally on a true and fair basis.
- The Management has provided us the financial projections from 1 October 2019 to 31 December 2019 (“FPDec2019”) to financial year ended 31 December (“FY”) 2023. The Management also concurred with the financial projections of the Target from FY2024 to FY2026. To its best knowledge, the Management is solely responsible for the contents, estimation and the assumptions used in the projections.
- The Target shall continue to operate as a going concern and it has sufficient liquidity to achieve the financial forecasts and projections.
- The Market Value of the Target’s leasehold property, a 2-storey detached factory located at 8 Loyang Way Singapore 507604 (“Property”) determined by PREMAS Valuers & Property Consultants Pte Ltd as at the Valuation Date appropriately reflects the Market Value of the Property (“Property Valuation”).
- There will not be any material changes in the political and/or economic conditions under which the Target operates that may adversely affect the future prospects of the Target.
- There are no other liabilities, including any contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



- The current owners of the Target have clear and unencumbered title of ownership over all assets included in this assessment.
- There are no material changes in existing political, legal or regulatory (including changes in legislation, laws, regulations, government policies or rules), fiscal, market or economic conditions in the Target's countries of operations.
- There will be no material change in inflation, interest rates or exchange rates from those prevailing as at the Valuation Date.
- There will be no material changes in the bases or rates of taxation or duties.
- The Target's operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the Report.

It should be noted that the valuation of the Target critical upon the following key value drivers:

- The Target continues to operate as a going concern and is able to meet all its financial obligations.
- The Target's sales, costs, and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections.
- The Target has sufficient operational resources to support the projected turnover and profitability.
- The Target continues to maintain costs in accordance with the forecast.

Any deviation from the above key drivers and forecasts may significantly vary the valuation of the Target.

The valuation is largely based on information provided to us by the Management who are solely responsible for their contents/accuracy. We have not performed any work in the nature of an audit or due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this Report. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed a viability opinion on the Proposed Disposal. We have also not verified or confirmed information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to the comparable companies on international stock exchanges. We are not responsible as to their content and accuracy in deriving parameters such as country risk rate for purposes of valuation. Such information was obtained from Bloomberg and other sources, where applicable.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



Reservations

The value conclusions reflect all information known by the valuers of C&W who worked on the valuation in respect to the assets and liabilities of the Target, market conditions and available data.

5. General Comment

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made by a lessee, or another valuer. Historically, it has been considered that valuers may properly conclude within a range of possible values.

Market Value of the subject matter can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change.

We have no present or prospective interest in the Target and are not a related corporation of nor do we have a relationship with the owner(s) or other party/parties whom the client is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Group, Company, Target, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of assets. Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

6. Valuation Methodology

We have adopted income approach as our primary approach and market approach & cost approach as reference.

Income Approach - Discounted Cash Flow Analysis

Discounted Cash Flow ("DCF") Method is one application of income approach. We have used free cash flow to firm ("FCFF") to assess the overall enterprise value of the companies. FCFF represents the cash flows left over after covering capital expenditure and working capital needs. The present value of FCFF is a measure of enterprise value and the equity value is subsequently derived after taking into consideration debt, excess cash and cash equivalents as well as non operating assets/liabilities. FCFF is defined as follows:

FCFF = EBIT (1 – Tax rate) + Depreciation and Amortization – Capital Spending – Change in Working Capital

APPENDIX A – SUMMARY VALUATION REPORT

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The rationale for DCF method lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. In applying the DCF method there are three (3) critical inputs:

- A supportable cash flow forecasts;
- An estimate of the terminal value at the end of the forecast period; and
- An appropriate discount rate by which to revert the cash flows to present value.

The assumptions used in the DCF analysis are set out in the following sections.

Financial projections

We were provided with financial projections from FPDec2019 to FY2023, which form the basis of our DCF analysis. We are of the opinion that the financial projections are in line with the accompanying assumptions provided by Management.

As the expected earnings in FY2023 is unlikely to represent the normalized earnings of the Target, the financial projections were extended to FY2026. Based on discussion with the Management, the key assumptions used for the financial projections from FY2024 to FY2026 are as follows:

- Projected revenue growth rate of 2% p.a.: Referenced to the long term global GDP growth rate;
- Projected EBIT margin at 5%: Referenced to the average EBIT margin of the comparable companies;
- Projected capital expenditure over revenue of 2%: Referenced to the average capital expenditure as a percentage of revenue of the comparable companies; and
- Other assumptions were held similar to FY2023.

Based on the abovementioned assumptions, the expected FCFF of the Target from FPDec2019 to FY2026 is as follows:-

<i>SGD'000, unless otherwise specified</i>	FPDec2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Normalised
Revenue	2,207	9,733	10,220	10,731	11,267	11,492	11,722	11,957	11,957
EBIT	5	(145)	196	559	627	575	586	598	598
Less: Tax expenses	-	-	-	-	-	(98)	(100)	(102)	(102)
Add: Depreciation and amortisation	162	649	541	136	79	92	155	234	234
Less: Capital expenditure	-	-	-	-	-	(230)	(234)	(239)	(239)
Less: Net working capital changes	390	(225)	(172)	7	(2)	6	(12)	(15)	(15)
FCFF	557	279	566	702	704	346	395	477	477

APPENDIX A – SUMMARY VALUATION REPORT

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Capital expenditure: Based on discussion with Management, the average utilisation rate of the Target's dishwashing facilities as at the Valuation Date was c. 51% and is sufficient for the provision of dishwashing services as per the revenue projection from FPDec2019 to FY2023. The expected repair and maintenance cost required for the dishwashing facilities was included as part of the projected administrative expenses. In this regard, there was no capital expenditure projected from FPDec2019 to FY2023.

Net working capital changes: Based on discussion with Management, it is expected that the trade receivables as well as trade and other payables will increase in line with the projected increase in revenue, cost of sales and operating expenses (as the case may be). The underlying net working capital assumptions are set out as follows:-

- Trade receivables turnover days: 50 to 60 days; and
- Trade and other payables turnover days: 60 days.

Terminal value

To estimate the terminal value of the Target at the end of the projection period in FY2026, we have used the Gordon Growth Model. This model is used to assess terminal value of firms that are growing at a stable growth rate and relates the value to its expected cash flow in the next time period, the required rate of return and the expected long-term growth rate.

$$\text{Terminal value} = \text{CF}_{n+1} / (r - g)$$

<i>where</i>	CF_{n+1}	=	expected cash flow one year from n -th year
	r	=	required rate of return, i.e. discount rate
	g	=	growth rate in perpetuity

We have assumed that the earnings of the Target would reach a stable perpetual growth rate of 2.0% after FY2026 based on expected long-term global GDP growth rate.

Discount rate

Income approach requires the application of an appropriate discount rate that reflects the inherent risks relating to the cash flows. The present value of the cash flows from Target is the expected future net cash flows discounted by an appropriate discount rate. We have adopted Weighted Average Cost of Capital ("WACC") ranging from 16.0% to 20.0%.

APPENDIX A – SUMMARY VALUATION REPORT

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Debt, excess cash & cash equivalent and surplus assets

In order to arrive at the equity value of the Target, debt is subtracted and excess cash & cash equivalent as well as the surplus asset are added to the enterprise value.

As at the Valuation Date, the Target has debt of S\$7.9 million, S\$0.4 million excess cash & cash equivalents and surplus asset of S\$7.5 million. The surplus asset of S\$7.5 million represents the Market Value of the Property determined by PREMAS Valuers & Property Consultants Pte Ltd. We do not assume any liability or make any representations in respect of the Property Valuation. Based on discussion with Management, as at the Valuation Date, the Target is not required to conduct any operation which is related to the core business of the Target at the Property and the Property is considered as a non core asset.

Adjustment for private company discount (marketability discount)

According to the International Glossary of Business Valuation Terms, marketability is defined as the relative ease and promptness with which a security or commodity may be sold when desired, at a representative current price, without material concession in price merely because of the necessity of the sale. Investors will price in a discount for the additional costs and risks of liquidation when valuing interest in privately held companies. Based on historical empirical studies including but not limited to SEC Institutional Investor Study, Maher Study and Trout Study, we are of the opinion that an appropriate marketability discount for the purpose of this valuation is 30%.

Market Value of 100% equity interest in the capital of the Target

Based on the DCF method, the derived 100% enterprise value of the Target ranges from S\$3.1 million to S\$3.9 million as at Valuation Date. The value of 100% equity interest in the capital of the Target is then derived by taking enterprise value, subtracting debt, adding excess cash & cash equivalent as well as the surplus asset and applying the marketability discount. As at the Valuation Date, the Target has debt of S\$7.9 million, S\$0.4 million excess cash & cash equivalents and surplus asset of S\$7.5 million. A marketability discount of 30% is applied to reflect the private status of the Target.

As such, based on DCF Method, the Market Value of 100% equity interest in the capital of the Target as at the Valuation Date ranges from S\$2.2 million to S\$2.7 million.

7. Valuation Result

Having regard to the foregoing and the present market conditions, we are of the opinion that the Market Value of the 100% equity interest in the capital of the Target as at Valuation Date, subject to the assumption stated herein, is in the region of: -

S\$2.2 million to S\$2.7 million

8. Confidentiality

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



9. Disclosure and Publication

You must not disclose the contents of the Report and/or Full Report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or the Report and/or Full Report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any special assumptions or departures that we have made.

10. Limiting Conditions

This Report is prepared subject to the Limiting Conditions in Appendix 1 of the Report.

11. Valuer's Credential

The valuation is performed by Richard Yap who is a senior corporate advisory executive with more than 10 years of experience in M&A, valuation of business, financial instruments and intangible assets and has worked extensively throughout Asia Pacific. He has demonstrable success across Valuations, Advisory and Capital Markets. Currently based in Singapore, Richard leads the Business Valuation team for C&W throughout Singapore and South East Asia. Richard is a Chartered Financial Analyst (CFA), Chartered Accountant (CA Singapore) as well as Chartered Valuer and Appraiser (CVA).

Signed for and on behalf of C&W.

Richard Yap

CFA, CA (Singapore), CVA

Director

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



Appendix 1 Limiting Conditions

The Report and/or Full Report is prepared subject to the following terms and conditions: -

- 1) The Report and/or Full Report is:
 - a. restricted to the use by the client to whom the Report and/or Full Report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from Valuation Date. We disclaim any liability arising from any reliance on the Report and/or Full Report by any other person or for any other purpose or beyond a reasonable time.
- 2) Neither the whole nor any part of the Report and/or Full Report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
- 3) Where it is stated in the Report and/or Full Report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
- 4) The values assessed in the Report and/or Full Report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation (where applicable). The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- 5) While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects (where applicable). We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order (where applicable).
- 6) Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments (where applicable). We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s) (where applicable).
- 7) Any plans that are included in the Report and/or Full Report are meant for identification purposes and to assist the client in visualising the subject property (where applicable). The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters (where applicable).
- 8) We have not taken into account of any plant and machinery in our valuation.
- 9) We have not made any requisition for the Road Line Plan or for drainage proposal (where applicable). We have also not made any application for information/document in respect of

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



- Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client (where applicable).
- 10) As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition (where applicable).
 - 11) Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations (where applicable).
 - 12) Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid (where applicable).
 - 13) Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies) (where applicable).
 - 14) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a) any direct loss of profit;
 - b) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
 - 15) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
 - 16) Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.
 - 17) Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you (where applicable).
 - 18) Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) SGD500,000.00, whichever is lower.
 - 19) We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.

APPENDIX A – SUMMARY VALUATION REPORT

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- 20) Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.
- 21) Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address the Report and/or Full Report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees.
- These fees are exclusive of GST & expenses (including the cost of re-addressing the Report and/or Full Report) and are subject to a minimum fee of SGD1,000. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
- 22) Where we consent to reliance on the Report and/or Full Report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
- 23) Where you provide a copy of and/or permit another party or parties to rely upon the Report and/or Full Report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report and/or Full Report by any such unauthorised person or entity.
- 24) Save where we have consented to another party or other parties relying on the Report and/or Full Report in accordance with clauses 21 and 22, where the Report and/or Full Report is prepared or where we consent to the Report and/or Full Report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the Report and/or Full Report.
- 25) Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy (where applicable).
- 26) Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not meet all the criteria of a normal market transaction. Such Forced Sale Value is not a representation of the Market Value (where applicable).
- 27) The Report and/or Full Report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of the Report and/or Full Report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.

APPENDIX A – SUMMARY VALUATION REPORT

Valuation of 100% equity interest in the capital of the Target



28)

- a) The U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws make it unlawful for us or anyone acting on our behalf to offer, pay, promise or authorize to pay any money, gift or anything of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for us or our subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries but also employees of companies which are owned or controlled by the state. The U.K. Bribery Act and other laws also prohibit commercial bribery of any kind.
- b) We comply with all applicable anti-bribery and corruption laws, rules, and regulations of the United States, European Union or any member state and any other similar laws in all applicable jurisdictions, including but not limited to the FCPA and U.K. Bribery Act ("Applicable Anti-Bribery Laws and Rules").
- c) You acknowledge and confirm your understanding of and agree to comply with all applicable Anti-Bribery Laws and Rules and agree not to take or fail to take any action that might in any way cause us to be in violation of such laws.
- d) We must at all times comply with all U.S. sanctions administered by the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities (collectively "Applicable Sanctions/AML Rules").
- e) You represent and warrant to us that you, and all persons and entities owning (directly or indirectly) an ownership interest in you: (i) are not, and will not become, a person or entity with whom a party is restricted from doing business under Applicable Sanctions/AML Rules; and (ii) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in Clause 28 (e) (i) above.
- f) In the event that we believe in good faith, and whether or not we have conducted an investigation, that you have acted in a way that may subject us to liability under Applicable Anti-Bribery Laws and Rules or you (including all persons and entities owning (directly or indirectly) an ownership interest in you) become a Target of Applicable Sanctions/AML Rules, we shall have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and shall be entitled to receive payment of the service fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination.

APPENDIX B – PROPERTY VALUATION REPORT

Premas

PREMAS Valuers & Property Consultants Pte Ltd
Reg No.: 199400520R
Block 750A, Chai Chee Road
Viva Business Park #05-01
Singapore 469001
Telephone: +65 6876 6388
Facsimile: + 65 6876 6493

31 October 2019

M/s GreatSolutions Pte. Ltd.
8 Loyang Way 4
Singapore 507604

Attn: Mr Paul Chong

Dear Sir,

DESKTOP VALUATION REPORT FOR 8 LOYANG WAY 4 SINGAPORE 507604

1 We thank you for your instructions to conduct a Desktop Valuation to determine the Market Value of the above-mentioned property for the purpose of Extraordinary General Meeting (EGM) Circular. The subject property was previously valued by us on **29 January 2019** for a Formal Valuation.

2 In accordance with your instructions, we have not re-inspected the property or made any other legal searches/ further investigations for the purpose of this Desktop Valuation. We have assumed that there has been no material change in the property and to the surroundings since our last valuation.

3 Brief details of the subject property as extracted from our previous valuation report are as follows:-

Type of Property : A 2-storey detached factory enclosed within chain-link fencing/ brick walls and completed with a pair of metal swing gates.

Legal Description : Mk 31 Lot 2640T (Private Lot A3003952)

Tenure : Leasehold 30 years commencing from 16 October 1998 with a further term of 25 years, subject to the following conditions:

(a) there are no existing breach(es) or non-observances (s) of any of the covenants and conditions herein contained on the part of the Lessee to be observed or performed upon expiry of the first term;

(b) the land rent for the further term shall be subject to revisions in accordance with the market rent on 16 October of every year but any increase (if any), shall not exceed 5.5% of the annual rent for each immediate preceding year.

Remarks:

In view of the above, our valuation for the purpose of this report is based on a lease term of 30+25 years commencing from 16 October 1998.

APPENDIX B – PROPERTY VALUATION REPORT

Premas

PREMAS Valuers & Property Consultants Pte Ltd
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Block 750A, Chai Chee Road
Viva Business Park #05-01
Singapore 469001
Telephone: +65 6876 6388
Facsimile: + 65 6876 6493

31 October 2019

M/s GreatSolutions Pte. Ltd.
Attn: Mr Paul Chong
Page 2

Land Area : 4,508.7 sq m (approx. 48,532 sq ft)
(According to
Certificate of Title
(SUB))

Gross Floor Area : 2,919.385 sq m (approx. 31,424 sq ft)
According to our
previous valuation
report, subject to
survey)

Zoning : Business 2
(According to
Master Plan 2014)

Accommodation : 1st Storey - Porch, lobby, show room, partitioned rooms,
production area, storage area, store, male/ female
toilets, power grid switchroom, 2 transformer rooms
and switchroom.
2nd Storey - Reception, general office areas, various partitioned
offices, storage area, conference room, meeting room,
2 AHU rooms, pantry and male/ female toilets.

Completion Date : Circa 1990s. Certificate of Statutory Completion (CSC) for the Addition
and Alteration (A/A) work was granted on 22 May 2018.

Method of Valuation : Direct Comparison Method and Investment (Income) Method

APPENDIX B – PROPERTY VALUATION REPORT

Premas

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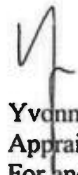
31 October 2019

M/s GreatSolutions Pte. Ltd.
Attn: Mr Paul Chong
Page 3

- 4 In view of the foregoing and from our knowledge of the market conditions, we are of the opinion that the subject property (known as **8 Loyang Way 4 Singapore 507604**), based on a lease term of 30 + 25 years commencing from 16 October 1998, is valued as follows:-

Date of Valuation : 31 October 2019

Market Value : S7,500,000/- (Singapore Dollars Seven Million And Five Hundred Thousand Only)



Yvonne Tok Yee Fong (Ms), Deputy Director
Appraiser's Licence No. : AD041-2008807B
For and behalf of
PREMAS Valuers & Property Consultants Pte. Ltd.
DID: 6876 6378 FAX: 6876 6493

This desktop valuation report is subject to the attached Terms and Conditions.

APPENDIX B – PROPERTY VALUATION REPORT

Premas

PREMAS Valuers & Property Consultants Pte Ltd
Reg No.: 199400520R
Block 750A Chai Chee Road
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TERMS AND CONDITIONS

The valuation report is prepared subject to the following terms and conditions: -

1. The valuation report is:

- a. restricted to the use by the client to whom this report is addressed;
- b. for the specific purpose stated therein; and
- c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the date of the valuation report. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.

2. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
3. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
4. The values assessed in this report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation. The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
5. While due care is taken in the course of inspection to note serious defects of the subject property, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects. We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order.
6. Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s).
7. Any plans that are included in this report are meant for identification purposes and to assist the client in visualising the subject property. The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters.
8. We have not taken into account of any plant and machinery in our valuation.
9. We have not made any requisition for the Road Line Plan or for drainage proposal. We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client.
10. As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition.
11. Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations.
12. Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid.
13. Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies).
14. Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a. any direct loss of profit;
 - b. any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
15. Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
16. Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.
17. Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you.
18. Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) S\$500,000.00, whichever is lower.
19. We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.
20. Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.

APPENDIX B – PROPERTY VALUATION REPORT

Premas

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Reg No.: 199400520R
Block 750A Chai Chee Road
#05-01 Singapore 469001
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21. Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees. These fees are exclusive of GST & expenses (including the cost of re-addressing the report). Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
22. Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
23. Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.
24. Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 21 and 22, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the valuation report.
25. The report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
- 26.
- a. The U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws make it unlawful for us or anyone acting on our behalf to offer, pay, promise or authorize to pay any money, gift or anything of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for us or our subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries but also employees of companies which are owned or controlled by the state. The U.K. Bribery Act and other laws also prohibit commercial bribery of any kind.
 - b. We comply with all applicable anti-bribery and corruption laws, rules, and regulations of the United States, European Union or any member state and any other similar laws in all applicable jurisdictions, including but not limited to the FCPA and U.K. Bribery Act ("Applicable Anti-Bribery Laws and Rules").
 - c. You acknowledge and confirm your understanding of and agree to comply with all applicable Anti-Bribery Laws and Rules and agree not to take or fail to take any action that might in any way cause us to be in violation of such laws.
 - d. We must at all times comply with all U.S. sanctions administered by the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities (collectively "Applicable Sanctions/AML Rules").
 - e. You represent and warrant to us that you, and all persons and entities owning (directly or indirectly) an ownership interest in you: (i) are not, and will not become, a person or entity with whom a party is restricted from doing business under Applicable Sanctions/AML Rules; and (ii) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in Clause 26 (e) (i) above.
 - f. In the event that we believe in good faith, and whether or not we have conducted an investigation, that you have acted in a way that may subject us to liability under Applicable Anti-Bribery Laws and Rules or you (including all persons and entities owning (directly or indirectly) an ownership interest in you) become a target of Applicable Sanctions/AML Rules, we shall have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and shall be entitled to receive payment of the service fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

GS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201427862D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of GS Holdings Limited (the “**Company**”) will be held at 8 Loyang Way 4, Singapore 507604 on 30 December 2019 at 2.30 p.m., for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out below.

All capitalised terms in the resolutions below shall, unless otherwise defined herein, have the respective meanings ascribed to them in the circular of the Company dated 13 December 2019 to the shareholders of the Company.

ORDINARY RESOLUTION 1 – THE PROPOSED EXPANSION AND DIVERSIFICATION

RESOLVED THAT:–

- (a) Approval be and is hereby given for the Company to expand the Group’s BOP Business, with such business potentially being one of the core businesses of the Group in the future, and to diversify the Group’s BOP Business beyond the F&B industry (the “**Proposed Expansion and Diversification**”), and for the entry by the Company and/or any Group Company into any contracts, agreements and undertakings as the Directors may deem desirable, necessary, or expedient to undertake in relation to the Proposed Expansion and Diversification.
- (b) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

ORDINARY RESOLUTION 2 – THE PROPOSED DISPOSAL OF THE COMPANY’S WHOLLY-OWNED SUBSIDIARY, BEING GREATSOLUTIONS PTE. LTD.

RESOLVED THAT:–

- (a) Approval be and is hereby given for the disposal of 100% of the issued and paid-up share capital of GreatSolutions Pte. Ltd for a consideration of S\$2,000,000 to be satisfied fully in cash and subject to the terms and conditions of the sale and purchase agreement dated 19 November 2019 between the Company and the Purchaser.
- (b) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3 – THE PROPOSED PARTICIPATION BY MR PANG, BEING A CONTROLLING SHAREHOLDER, IN THE GS ESOS

RESOLVED THAT:–

- (a) Pursuant to Rule 852 of the Catalist Rules, approval be and is hereby given for the participation by Mr Pang Pok in the GS ESOS.
- (b) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

Notes to Ordinary Resolution 3:

- (1) *Mr Pang shall, and shall procure that his Associates shall, abstain from voting on this Ordinary Resolution 3 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- (2) *Pursuant to Rule 858 of the Catalist Rules, Shareholders who are eligible to participate in the GS ESOS shall, and shall procure that their respective Associates shall, abstain from voting on this Ordinary Resolution 3 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- (3) *Shareholders should note that the passing of Ordinary Resolution 4 in respect of the proposed grant of the Options (comprising 1,400,000 Shares, if all of the Options so granted are exercised) to Mr Pang under the GS ESOS is conditional on the passing of this Ordinary Resolution 3 in respect of the proposed participation by Mr Pang, being a Controlling Shareholder, in the GS ESOS. This means that if this Ordinary Resolution 3 is not approved by Shareholders, Ordinary Resolution 4 will not be tabled for Shareholders' approval.*

ORDINARY RESOLUTION 4 – THE PROPOSED GRANT OF OPTIONS TO MR PANG UNDER THE GS ESOS

RESOLVED THAT, subject and contingent upon the passing of Ordinary Resolution 3:–

- (a) Pursuant to Rule 852 of the Catalist Rules, the proposed offer and grant of the Options comprising 1,400,000 Shares to Mr Pang, being a Controlling Shareholder, pursuant to and in accordance with the rules of the GS ESOS and on the following terms be and is hereby approved:–

Proposed Date of Grant of Options	:	Any time within four (4) weeks from the date of the EGM
Exercise Price of Options Granted	:	Market Price For illustration purposes only, the Market Price of the Shares as at the Latest Practicable Date is S\$0.721
Number of Options Proposed to be Granted	:	1,400,000 Options comprising 1,400,000 Shares (representing 0.76% of the total issued Shares as at the Latest Practicable Date)
Validity Period of Options Granted	:	Two (2) years from the date of the grant of the Options

NOTICE OF EXTRAORDINARY GENERAL MEETING

Exercise Period of Options Granted : Pursuant to the rules of the GS ESOS, as the Options are to be granted with the Exercise Price set at Market Price, the exercise period for the Options commences from the date falling one (1) year from the date of grant of such Options, provided that the Options shall be exercised within the validity period as stated above, failing which all unexercised Options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

Notes to Ordinary Resolution 4:

- (1) *Mr Pang shall, and shall procure that his Associates shall, abstain from voting on this Ordinary Resolution 4 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- (2) *Pursuant to Rule 858 of the Catalist Rules, Shareholders who are eligible to participate in the GS ESOS shall, and shall procure that their respective Associates shall, abstain from voting on this Ordinary Resolution 4 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- (3) *Shareholders should note that the passing of this Ordinary Resolution 4 in respect of the proposed grant of the Options (comprising 1,400,000 Shares, if all the Options so granted are exercised) to Mr Pang under the GS ESOS is conditional on the passing of Ordinary Resolution 3 in respect of the proposed participation by Mr Pang, being a Controlling Shareholder, in the GS ESOS. This means that if Ordinary Resolution 3 is not approved by Shareholders, this Ordinary Resolution 4 will not be tabled for Shareholders' approval.*

ORDINARY RESOLUTION 5 – THE PROPOSED PARTICIPATION BY MS ELISS PANG, BEING AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE GS ESOS

RESOLVED THAT:–

- (a) Pursuant to Rule 852 of the Catalist Rules, approval be and is hereby given for the participation by Ms Eliss Pang in the GS ESOS.
- (b) The Directors and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit.

Notes to Ordinary Resolution 5:

- (1) *Mr Pang shall, and shall procure that his Associates shall, abstain from voting on this Ordinary Resolution 5 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- (2) *Pursuant to Rule 858 of the Catalist Rules, Shareholders who are eligible to participate in the GS ESOS shall, and shall procure that their respective Associates shall, abstain from voting on this Ordinary Resolution 5 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- (3) *Shareholders should note that the passing of Ordinary Resolution 6 in respect of the proposed grant of the Options (comprising 600,000 Shares, if all the Options so granted are exercised) to Ms Eliss Pang under the GS ESOS is conditional on the passing of this Ordinary Resolution 5 in respect of the proposed participation by Ms Eliss Pang, being an Associate of a Controlling Shareholder, in the GS ESOS. This means that if this Ordinary Resolution 5 is not approved by Shareholders, Ordinary Resolution 6 will not be tabled for Shareholders' approval.*

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 6 – THE PROPOSED GRANT OF OPTIONS TO MS ELISS PANG UNDER THE GS ESOS

RESOLVED THAT, subject and contingent upon the passing of Ordinary Resolution 5:–

- (a) Pursuant to Rule 852 of the Catalist Rules, the proposed offer and grant of the Options comprising 600,000 Shares to Ms Eliss Pang, being an Associate of Controlling Shareholder, pursuant to and in accordance with the rules of the GS ESOS and on the following terms be and is hereby approved:–

Proposed Date of Grant of Options	:	Any time within four (4) weeks from the date of the EGM
Exercise Price of Options Granted	:	Market Price For illustration purposes only, the Market Price of the Shares as at the Latest Practicable Date is S\$0.721
Number of Options Proposed to be Granted	:	600,000 Options comprising 600,000 Shares (representing 0.32% of the total issued Shares as at the Latest Practicable Date)
Validity Period of Options Granted	:	Two (2) years from the date of the grant of the Options
Exercise Period of Options Granted	:	Pursuant to the rules of the GS ESOS, as the Options are to be granted with the Exercise Price set at Market Price, the exercise period for the Options commences from the date falling one (1) year from the date of grant of such Options, provided that the Options shall be exercised within the validity period as stated above, failing which all unexercised Options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

Notes to Ordinary Resolution 6:

- Mr Pang shall, and shall procure that his Associates shall, abstain from voting on this Ordinary Resolution 6 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- Pursuant to Rule 858 of the Catalist Rules, Shareholders who are eligible to participate in the GS ESOS shall, and shall procure that their respective Associates shall, abstain from voting on this Ordinary Resolution 6 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Shareholder Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.*
- Shareholders should note that the passing of this Ordinary Resolution 6 in respect of the proposed grant of the Options (comprising 600,000 Shares, if all the Options so granted are exercised) to Ms Eliss Pang under the GS ESOS is conditional on the passing of Ordinary Resolution 5 in respect of the proposed participation by Ms Eliss Pang, being an Associate of a Controlling Shareholder, in the GS ESOS. This means that if Ordinary Resolution 5 is not approved by Shareholders, this Ordinary Resolution 6 will not be tabled for Shareholders' approval.*

BY ORDER OF THE BOARD

Pang Pok

Executive Chairman and Chief Executive Officer

13 December 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:–

1. A member (other than a Relevant Intermediary (as defined below)) entitled to attend and vote at the EGM is entitled to appoint not more than 2 proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member (other than a Relevant Intermediary (as defined below)) appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies, failing which the nomination shall be deemed to be alternative.
2. A Relevant Intermediary (as defined below) may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
4. If the appointer is a corporation, the proxy form must be executed under seal or its attorney duly authorised in writing.
5. In the case of joint shareholders, all holders must sign the form of proxy.
6. The instrument appointing a proxy or proxies, duly executed, must be deposited together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof at the registered office of the Company at 8 Loyang Way 4 Singapore 507064, not less than 48 hours before the time set for holding the EGM.

A “Relevant Intermediary” is:

- (a) a banking corporation licensed under the Banking Act (Chapter 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 Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 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.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) 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 or service providers), 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 or service providers) 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.

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PROXY FORM

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

EXTRAORDINARY GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see page N-5 for the definition of "relevant intermediary").
2. For Supplementary Retirement Scheme ("SRS Investors") who have used their SRS monies to buy shares in the Company's shares, the proxy form is not valid for use and shall be ineffective for all intends and purposes if used or purported to be used by them, SRS Investors should contact their SRS Approved Agents if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes of this Proxy Form.

I/We* _____ (Name), with NRIC/Passport/Co. Registration No.:* _____
of _____ (Address)
being a member/members* of **GS HOLDINGS LIMITED** (the "Company") hereby appoint:-

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

and/or [*delete as appropriate]

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

or failing him/her/them*, the Chairman of the Extraordinary General Meeting (the "Meeting") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Meeting of the Company to be held at 8 Loyang Way 4, Singapore 507604 on 30 December 2019 at 2.30 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Ordinary Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion.

Resolution relating to:	No. of votes 'For'***	No. of votes 'Against'**
Resolution 1 (Ordinary Resolution) The Proposed Expansion and Diversification		
Resolution 2 (Ordinary Resolution) The Proposed Disposal		
Resolution 3 (Ordinary Resolution) The Proposed Participation by Mr Pang, being a Controlling Shareholder, in the GS ESOS		
Resolution 4 (Ordinary Resolution) The Proposed Grant of Options to Mr Pang, being a Controlling Shareholder, under the GS ESOS		
Resolution 5 (Ordinary Resolution) The Proposed Participation by Ms Eliss Pang, being an Associate of a Controlling Shareholder, in the GS ESOS		
Resolution 6 (Ordinary Resolution) The Proposed Grant of Options to Ms Eliss Pang, being an Associate of a Controlling Shareholder, under the GS ESO		

Dated this _____ day of _____ 2019

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

Signature(s) of member(s) or Common Seal of Corporate member

* Delete where inapplicable

** If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company circular to Shareholders dated 13 December 2019.

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

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, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, 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, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary (as defined below)), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary (as defined below)) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
4. A Relevant Intermediary (as defined below) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. 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 Meeting.
6. The instrument appointing a proxy or proxies 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 set for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney (or other authority) or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

A "Relevant Intermediary" is:

- (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 Futures 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 13 December 2019.

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