



THE PROPOSED CONSOLIDATION OF EVERY FIVE (5) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) NEW CONSOLIDATED SHARE (FRACTIONAL ENTITLEMENTS TO BE DISREGARDED)

1. INTRODUCTION

The board of directors (the **%Board+**) of GSH Corporation Limited (the **%Company+**, and together with its subsidiaries, the **%Group+**) wishes to announce that the Company is proposing to undertake a share consolidation exercise, pursuant to which the Company will undertake a share consolidation of every five (5) existing issued ordinary shares in the capital of the Company (the **%Shares+**) held by shareholders of the Company (**%Shareholders+**) as at a books closure date to be determined by the Board (**%Share Consolidation Books Closure Date+**) into one (1) new ordinary share in the capital of the Company (**%New Consolidated Share+**), fractional entitlements to be disregarded (the **%Proposed Share Consolidation+**).

2. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

- 2.1 The Singapore Exchange Securities Trading Limited (**%SGX-ST+**) will be introducing a minimum trading price of S\$0.20 as an additional continuing listing requirement, with effect from March 2015, for issuers listed on the Mainboard of the SGX-ST. The Board believes that the Proposed Share Consolidation would facilitate the Company's ability to satisfy this prospective continuing listing requirement to be imposed by the SGX-ST.
- 2.2 In addition, share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), and low traded Share prices may translate to higher transaction costs, relative to the trading price. The Board therefore believes that the Proposed Share Consolidation may also serve to reduce the relative transaction cost for trading in the Shares.
- 2.3 Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained in the longer term.

3. INFORMATION ON THE PROPOSED SHARE CONSOLIDATION

- 3.1 Under the Proposed Share Consolidation, every five (5) existing Shares registered in the name of each Shareholder as at the Share Consolidation Books Closure Date will be consolidated to constitute one (1) New Consolidated Share. Accordingly, after the Share Consolidation Books Closure Date, every five (5) existing Shares will constitute one (1) New Consolidated Share.
- 3.2 Shareholders should note that the number of the New Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Share Consolidation Books Closure Date, will be

rounded down to the nearest whole New Consolidated Share and any fractions of New Consolidated Shares arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interest of the Company. Each New Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 New Consolidated Shares.

- 3.3 As at the date of this announcement, the Company has an issued share capital of S\$334,907,258 divided into 9,885,180,250 Shares. On the assumption that there will be no new Shares issued by the Company up to the Share Consolidation Books Closure Date, following the Proposed Share Consolidation, the Company will have an issued share capital of S\$334,907,258 divided into 1,977,036,050 New Consolidated Shares.
- 3.4 The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group, the Company, or its subsidiaries.
- 3.5 Shareholders who hold physical share certificates for the existing Shares (**Existing Share Certificates**) and who wish to deposit the same with the Central Depository (Pte) Limited (**CDP**) and have their New Consolidated Shares credited to their Securities Accounts must deposit their Existing Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than 12 Market Days prior to the Share Consolidation Books Closure Date. After the Share Consolidation Books Closure Date, CDP will only accept deposits for new share certificates for the New Consolidated Shares.

4. APPROVALS AND CONDITIONS

- 4.1 The implementation of the Proposed Share Consolidation is subject to:
 - (a) the approval of the SGX-ST being obtained for the dealing in, listing of and quotation for the New Consolidated Shares; and
 - (b) the approval of Shareholders by way of an ordinary resolution at an extraordinary general meeting (**EGM**) to be convened.
- 4.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation for the New Consolidated Shares on the Mainboard of the SGX-ST pursuant to the Proposed Share Consolidation.

5. DESPATCH OF CIRCULAR

- 5.1 Subject to the receipt of the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the New Consolidated Shares on the Mainboard of the SGX-ST, a circular containing, *inter alia*, further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

5.2 **Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

By Order of the Board

**Gilbert Ee Guan Hui
CEO / Executive Director**

4 March 2015