



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

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## **ENTRY INTO MASTER DISTRIBUTION RIGHTS AGREEMENT**

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### **1. INTRODUCTION**

The Board of Directors (“**Directors**”) of GS Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s indirect subsidiary, Raffles Brands Pte. Ltd. (“**Raffles Brands**”) has entered into a master distribution rights agreement (“**Master Agreement**”) with Kaifeng Jufee! Biotechnology Co., Ltd. (开封九福来生物技术有限公司) (“**Kaifeng Jufee!**”), further details of which are set out in this announcement.

### **2. MASTER DISTRIBUTION RIGHTS AGREEMENT**

#### **2.1 Entry into the Master Agreement**

Raffles Brands (“**Distributor**”) has, on the date of this announcement, entered into the Master Agreement with Kaifeng Jufee!, pursuant to which Kaifeng Jufee! appoints the Distributor and / or any of the companies within the Group (“**Group Companies**”) as its distributor for five (5) products, being certain health supplements and related products derived from aloe vera plants, as specified therein (“**Products**”), within the People’s Republic of China (“**PRC**”), ASEAN countries, countries in the African continent, and such other territories in the world as the Distributor deems fit to distribute the Products (collectively, the “**Territories**”).

Pursuant to the Master Agreement, the list of products to be distributed may be amended, modified and/or supplemented from time to time with the written agreement of the parties.

#### **2.2 Details of Kaifeng Jufee!**

2.2.1 Kaifeng Jufee! is a PRC-incorporated company, incorporated in 2011 and with a registered capital of RMB 20 million as at the date of this announcement. Kaifeng Jufee!’s principal activities include aloe vera planting, manufacturing and sale of aloe vera related health and food and beverage products, including the Products as specified in the Master Agreement. In particular, Kaifeng Jufee! is a high-tech enterprise with its core focus on integrated aloe vera businesses, that includes aloe vera organic planting, raw materials processing, raw materials biological extraction, drugs research and development, and renewable resources development and application, and others. Kaifeng Jufee! manufactures 21 different products.

2.2.2 As at the date of this announcement, Mr. Zhang Rongxuan (“**Mr. Zhang**”), who is the Non-Executive and Non-Independent Chairman of the Company, holds 49% equity interest in Kaifeng Jufee!, with the remaining 51% equity interests held by Henan Jufee! Technology Co., Ltd. (“**Henan Jufee!**”), and Henan Jufee! is in turn 90% owned by Mr. Zhang. Mr. Zhang is also the legal representative of Kaifeng Jufee!.

2.2.3 Accordingly, Kaifeng Jufee! is an interested person of the Company for the purpose of Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). As such, the appointment of the Distributor (and any of the

Appointed Group Companies (as defined below)) as the exclusive distributor of the products and the relevant obligations of the Distributor under the Master Agreement, among others, are conditional upon the Company having obtained all relevant approvals from its shareholders. Please refer to **Paragraph 5** of this announcement for more information on the shareholders' approval to be sought in respect of the Master Agreement and the distribution business contemplated thereunder.

- 2.2.4 Save in respect of the Master Agreement, the Company has not entered into any transactions with Kaifeng Jufeel in the current financial year which falls under the definition set out in Rule 904 of the Catalist Rules. Nonetheless, the Company wishes to highlight that it has appointed Kaifeng Jufeel as authorised representative to collect certain outstanding service fees in respect of the branding, operation and procurement business of the Company's subsidiary, Wish Hospitality Holdings Private Limited. Please refer to the announcement dated 26 January 2021 for more information on the foregoing appointment.

### 2.3 Key Terms of the Master Agreement

The key terms of the Master Agreement include, among others, the following.

#### 2.3.1 Grant and appointment

2.3.1.1 Subject to the Company having obtained all relevant approval(s) from its shareholders, Kaifeng Jufeel (i) appoints the Distributor and, pursuant to the Master Agreement, any of the Group Companies (i.e. any of the Company's subsidiaries) as may be appointed by the Distributor ("**Appointed Group Company**"), as the exclusive distributors and (ii) grants to the Distributor and any Appointed Group Company an exclusive and royalty-free licence to use the brand name associated with Kaifeng Jufeel ("**Brand Name**") and intellectual property in respect of the Products ("**Intellectual Property**"), to sell, distribute, and market the Products anywhere within the Territory, subject to and in accordance with the terms of the Master Agreement.

2.3.1.2 The Distributor shall be entitled at any time or times to assign and/or delegate to any Appointed Group Company all or any of the obligations owed by, and rights, powers, authorities and discretions which are exercisable by, the Distributor under the Master Agreement in respect of the distribution of the Products in a certain Territory by notifying Kaifeng Jufeel of the same. In such circumstances, after the Distributor's issuance of the foregoing notice, Kaifeng Jufeel shall promptly enter into and execute separate distribution agreements (in such form acceptable to the Distributor) with each Appointed Group Company (collectively, the "**Distribution Agreements**") to give effect to the foregoing and to include other key terms, which shall be consistent with the Master Agreement.

#### 2.3.2 Existing Customer Contracts

Kaifeng Jufeel undertakes and shall at its own expense procure the following:

- (a) the assignment and/or transfer of all Existing Customer Contracts (as further described below) (including all rights and benefits set out therein) to the Distributor (or any Appointed Group Company) to the extent permitted under the governing law of the respective Existing Customer Contracts and jurisdiction of the Existing Customer Contracts, subject to such modifications as may be made pursuant to the terms set out in **Paragraph 2.3.2(b)** and provided that:
- (i) the assignment and/or transfer of such Existing Customer Contracts shall only be effective on the date that the Company have obtained all relevant shareholders' approval or such other date as may be mutually agreed in writing by the parties (the "**Assignment Effective Date**"); and

- (ii) neither the Distributor nor any Appointed Group Company shall be liable or responsible in any manner for, and Kaifeng Jufeeel shall procure and undertake to indemnify and hold harmless the Distributor and any Appointed Group Company from and against any liabilities, costs, expenses, damages or losses (including any direct or indirect consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred (or as may be suffered or incurred) by the Distributor and any Appointed Group Company in connection with or arising from:
  - (1) any breach by any party (including Kaifeng Jufeeel) of its obligations, covenants, undertakings and/or warranties under any Existing Customer Contract arising from any act, omission to act, matter or circumstance on or prior to the Assignment Effective Date;
  - (2) the failure by any party (including Kaifeng Jufeeel) to comply with any applicable laws relating or relevant to any Existing Customer Contract (and the transactions and matters contemplated thereunder) arising from any act, omission to act, matter or circumstance on or prior to the Assignment Effective Date;
  - (3) any claims, demands, actions, proceedings, allegations and/or threats made by any party arising from any act, omission to act, matter or circumstance on or prior to the Assignment Effective Date;
- (b) in the event:
  - (i) there are any terms in the Existing Customer Contracts that are not to the satisfaction of the Distributor (or any Appointed Group Company), the modification of such terms to the satisfaction of the Distributor (or any Appointed Group Company); and
  - (ii) the prices of the Products to be paid by a customer under an Existing Customer Contract is below the Minimum Selling Price (as defined below) set out in Paragraph 2.3.6, the modification of such terms as necessary to comply with the foregoing relevant terms of the Master Agreement, to the satisfaction of the Distributor (or any Appointed Group Company) unless otherwise agreed by the Distributor pursuant to the Master Agreement;
- (c) that:
  - (i) the assignment and / or transfer of the Existing Customer Contracts (including all rights and benefits set out therein) as specified in **Paragraph 2.3.2(a)**; and
  - (ii) any modifications made as specified in **Paragraph 2.3.2(b)**,shall be made in accordance with the applicable laws and the terms of the respective Existing Customer Contracts, and Kaifeng Jufeeel shall further procure and undertake that such assignment, novation, transfer and modifications shall be valid and enforceable by the Distributor (or any of the Appointed Group Company, as the case may be) under the applicable laws; and
- (d) that all such assignments, transfers and modifications, and all documents to effect the foregoing, shall be completed within 1 month from the date that the Company has obtained all relevant shareholders' approvals or such other date as may be mutually agreed in writing by the parties.

For the purposes herein “**Existing Customer Contracts**” mean contracts for the sale of the Products entered into by Kaifeng Jufeeel (as seller) with any third parties (as customers), which are existing, valid and in force as at the date of the Master Agreement.

### 2.3.3 Price of Products

2.3.3.1 The prices to be paid by the Distributor to Kaifeng Jufeeel for the Products (“**Purchase Price**”) shall be in accordance with the price list specified in the Master Agreement (“**Standard Price List**”)

2.3.3.2 The Standard Price List shall be reviewed by parties every 6 months commencing from the Commencement Date (as defined below), and any modifications, variations or amendments to the Standard Price List shall be mutually agreed by Parties in writing within 20 Business Days from the end of such 6-month period

2.3.3.3 Notwithstanding the foregoing, the parties agree and confirm that:

- (i) nothing in the Master Agreement shall prevent or prohibit the parties from agreeing on a Purchase Price which is lower than the prices indicated in the Standard Price List; and
- (ii) the Distributor shall be entitled to determine, in its sole and absolute discretion, the price of the Products and other fees or charges (the “**Selling Price**”) to be paid by the customers of the Distributor (or any Appointed Group Company) to the Distributor (or any Appointed Group Company) except that in respect of any Selling Price to be paid to the Distributor (or any Appointed Group Company) by the customers under the Existing Customer Contracts after the assignment and/or transfer of such contracts in accordance with the terms set out in **Paragraph 2.3.2**, the Selling Price shall be subject to the provisions pertaining to the Minimum Selling Price, as set out in **Paragraph 2.3.6**.

### 2.3.4 Supply of Products/ Payment by Distributor for Products

Kaifeng Jufeeel shall arrange for delivery of the Products to the relevant addresses specified by the Distributor (or any Appointed Group Company) in the Purchase Notice (as defined below), in accordance with the Master Agreement, upon:

- (a) The Distributor’s issuance of the purchase notice specifying the relevant details set out in the Master Agreement, including, among others the address to which the Products are to be delivered, (“**Purchase Notice**”); and
- (b) Kaifeng Jufeeel’s receipt of:
  - (i) the payment of the relevant Purchase Price of the Products so ordered as specified in the Purchase Notice; or
  - (ii) a letter of credit at sight, issued by a financial institution or bank elected by the Distributor, in favour of Kaifeng Jufeeel for the amount equivalent to the relevant Purchase Price of the Products so ordered as specified in the Purchase Notice, on such terms to the satisfaction of the Distributor.

For avoidance of doubt, the Distributor (or any Appointed Group Company) shall be entitled to elect, in its sole discretion, the preferred mode of payment for the Purchase Price of the Products.

### 2.3.5 Minimum Guaranteed Gross Profit Margin]

2.3.5.1 Notwithstanding any other provisions in the Master Agreement, in the event the Gross Profit Margin (as defined below) for a financial year based on the audited accounts of

the Distributor (or the relevant Appointed Group Company, as the case may be) is less than 40% of the Total Sales (“**Minimum Guaranteed Gross Profit Margin**”) in respect of that financial year, the Distributor shall be entitled, by notice in writing to Kaifeng Jufeel, to claim from Kaifeng Jufeel an amount equivalent to the amount of difference between the Gross Profit Margin for that financial year and the Minimum Guaranteed Gross Profit Margin for that financial year, and Kaifeng Jufeel shall, and undertakes to, pay to the Distributor (or such Appointed Group Company as may be elected by the Distributor) such amount claimed.

2.3.5.2 For the purposes herein, the following definitions shall apply:

- (a) “**Gross Profit Margin**” means the profit earned as calculated based on the difference between Selling Price and Purchase Price of the Products, excluding any expenses incurred by the Group relating to the purchase and sales of the Products.
- (b) “**Total Sales**” means the total amount invoiced by the Distributor (or any Appointed Group Company) for sale of the Products to its customers.

2.3.5.3 The Board notes the guidance provided in Rule 917(6) and although the entry into the Master Agreement is not an acquisition and the Minimum Guaranteed Gross Profit Margin does not strictly constitute a profit guarantee, the Board wishes to provide the following information to shareholders in relation to the Minimum Guaranteed Gross Profit Margin:

- (i) The views of the board of directors of the Company in accepting the profit guarantee or the profit forecast and the factors taken into consideration and basis for such a view

The Board is of the view that the Minimum Guaranteed Gross Profit Margin is determined based on the revenue and profitability of the Products as represented by Kaifeng Jufeel in the past financial years. The Board is of the view that the provisions relating to the Minimum Guaranteed Gross Profit Margin helps to safeguard the interests of the Group;

- (ii) The principal assumptions including commercial bases and assumptions upon which the quantum of the profit guarantee or the profit forecast is based.

The principal assumptions including commercial bases and assumptions are that there will be no material changes in the existing political, economic, legal and social conditions, and regulatory and fiscal measures in the countries in which Kaifeng Jufeel operates and/or the Products will be distributed, including but not limited to PRC.

- (iii) The manner and amount of compensation to be paid by the vendor in the event that the profit guarantee or the profit forecast is not met and the conditions precedent, if any, and the detailed basis for such a compensation

Please refer to **Paragraph 2.3.5.1** for more information on Kaifeng Jufeel’s payment to the Company in the event the Minimum Guaranteed Gross Profit Margin is not met.

- (iv) The safeguards put in place to ensure the issuer’s right of recourse in the event that the profit guarantee or the profit forecast is not met, if any.

Pursuant to the Master Agreement, the Distributor shall have the right (but not obligation) to apply any amount payable to the Distributor pursuant to the provisions set out in **Paragraph 2.3.5.1**, to the satisfaction of any payments that

any Appointed Group Company may be required to make to Kaifeng Jufeel under the Master Agreement or any Distribution Agreement by notifying the Supplier in writing.

### 2.3.6 Minimum Selling Price

2.3.6.1 Kaifeng Jufeel hereby irrevocably agrees and undertakes to procure that the Selling Prices of the Products to be paid by each customer as set out in the respective Existing Customer Contract to be transferred and / or assigned to the Distributor (or such Appointed Group Company shall not be an amount lower than the Minimum Selling Price.

2.3.6.2 For the purposes herein, “**Minimum Selling Price**” means such amount as computed in accordance with the following formula:-

$$\text{Minimum Selling Price} = \frac{\text{Purchase Price}}{0.6}$$

2.3.6.3 Notwithstanding the foregoing and any other provision to the contrary in this Master Agreement, the Distributor shall be entitled in its sole and absolute discretion to exempt certain Existing Customer Contracts from the requirement as set out in **Paragraph 2.3.6**.

### 2.3.7 Cost and Expenses

Any and all expenses, costs and charges incurred by each party in the performance of its obligations under the Master Agreement shall be paid by the relevant party, save as otherwise set out in the Master Agreement.

### 2.3.8 Term

2.3.8.1 The Master Agreement shall continue for a term of 3 years (the “**Term**”) commencing from the date on which relevant shareholders’ approval(s) of the Company has been obtained (“**Commencement Date**”), unless terminated in accordance with the Master Agreement (under the circumstances where a force majeure event or event of default occurs) or extended by agreement of the parties in writing.

2.3.8.2 For avoidance of doubt, as set out earlier, the appointment of the Distributor (and any of the Appointed Group Companies) as the exclusive distributor of the products and the relevant obligations of the Distributor under the Master Agreement, among others, are conditional upon the Company having obtained all relevant approval(s) from its shareholders.

2.3.8.3 In addition, pursuant to the Master Agreement, the following events constitute an event of default, among others:

- (i) relevant shareholder approval(s) of the Company has not been obtained at the extraordinary general meeting to be convened (“**EGM**”) (including the approval of the Proposed IPT Mandate (as defined below)); and
- (ii) approval by the Company’s shareholders of the renewal of the Proposed IPT Mandate has not been obtained at any annual general meeting convened by the Company, subsequent to the foregoing EGM.

In the event any of the foregoing events of default occurs, the Distributor shall immediately provide written notice of such event of default to Kaifeng Jufeel. The Master Agreement shall terminate immediately on the date of the foregoing notice (except for the surviving provisions as set out in the Master Agreement).

### 2.3.9 Warranty and undertakings of Kaifeng Jufeel

2.3.9.1 Pursuant to the Master Agreement, Kaifeng Jufeel has provided such representations, warranties and undertakings customary of transactions of a similar nature in respect of, among others, the ownership of the intellectual properties held by Kaifeng Jufeel, the validity of the Products and the compliance of the Products with all applicable laws of the Territories and the absence of any defects and damages of the Products when delivered to the Distributor.

2.3.9.2 Pursuant to the Master Agreement, Kaifeng Jufeel has also provided further representations, warranties, undertakings in respect of the Existing Customer Contracts, including, among others, the enforceability, validity and legality of the Existing Customer Contracts.

### 2.3.10 Compliance with Applicable Laws

The Distributor shall be responsible for obtaining any necessary import licences or permits necessary for the entry, distribution and import (as the case may be) of the Products into the Territories, or their delivery to the Distributor (or such addressee(s) as may be specified in a purchase notice provided by the Distributor in accordance with the Master Agreement).

### 2.3.11 Indemnities

Pursuant to the Master Agreement, Kaifeng Jufeel shall indemnify the Distributor (and each Appointed Group Company) against all liabilities, costs, expenses, damages or losses (including any direct or indirect consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred (or as may be suffered or incurred) by the Distributor (and each Appointed Group Company), in respect of, among others:

2.3.11.1 any claims or such other proceedings in connection with the performance or discharge by the Distributor and its Group Companies of any of its obligations and undertakings under the Master Agreement (or Distributor Agreement, as the case may be), and the Distributor's (and each Appointed Group Company's) purchase, sale, distribution, import and / or export of the Products within, from and out of any Territory, whether due to a breach of any of Kaifeng Jufeel's warranties or undertakings under the Master Agreement, the occurrence of an event of default or otherwise;

2.3.11.2 any and all claims, demands and suits by a third party that the Products or the use thereof in the Territory infringe the trademarks or other intellectual property rights of such third party;

2.3.11.3 any damage to property, death or personal injury which arises from any fault or defect in the Products, and any reasonable costs, claims, demands and expenses arising out of or in connection with such liability; and

2.3.11.4 any breach of Kaifeng Jufeel's warranties and obligations, covenants, undertakings and/or warranties under any Existing Customer Contract arising from any act, omission to act, matter or circumstance on or prior to the Assignment Effective Date, or breach of Kaifeng Jufeel's warranties, representations and undertakings set out in the Master Agreement.

## **3. RATIONALE FOR ENTRY INTO THE MASTER AGREEMENT**

**3.1** The Board believes that the Distributor's entry into the Master Agreement and the Group's undertaking of the distribution business, subject to relevant shareholders' approval(s) being obtained, is in the best interests of the Company.

- 3.2** In this regard, the Board believes that foregoing distribution business is expected to increase the revenue and profits of the Group, on the following basis:-
- 3.2.1 The Company understands that, based on the audited accounts provided by Kaifeng Jufeel, the total audited revenue of Kaifeng Jufeel for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 are approximately RMB 125,277,000, RMB 104,801,000, and RMB 109,675,000 respectively. Based on Kaifeng Jufeel's representations to the Company, the revenue which arose from the sales of the Products comprised approximately 80% of the total audited revenue for the foregoing financial years.
- 3.2.2 In view that the Existing Customer Contracts (including all rights and benefits set out therein) will be assigned / transferred to the Distributor (or any Appointed Group Company) and given the track record in respect of the total audited revenue of Kaifeng Jufeel as set out above, the Board believes that the Master Agreement allows the Group to have a good head-start in making its entry into and establishing its presence in the market for distribution of the Products, and potentially, other health supplements and health-related products.
- 3.3** Kaifeng Jufeel has also appointed Raffles Brands as its exclusive distributor as it recognises that Raffles Brands has, through Ms. Abigail Zhang, being the joint venture partner holding 49% shares in Raffles Brands and a director of Raffles Brands, an extensive business network in the PRC, particularly in the hospitality, restaurant, and food trading business. Please refer to the announcement dated 29 October 2019 in respect of the Company's entry into the joint venture agreement in respect of Raffles Brands (the "**JV Announcement**"), for more information on Ms. Abigail Zhang.
- 3.4** Other than the distribution of the Products as set out above, the Group, via Raffles Brands, intends to undertake the business of securing various food and beverage products and brands in the PRC and ASEAN region including ingredients, consumables, concepts and related supplies for distribution to various food & beverage outlets/distributors. Other than the aloe vera food & beverage products to be supplied by Kaifeng Jufeel pursuant to the Master Agreement, the Group envisages that such food and beverage brands will include yoghurt milk powder and related ingredients, sauces/mixes, flour, rice, cooking oil, ready to eat/cook meals and durian paste sourced from the PRC, Indonesia, Vietnam, Thailand and Malaysia.
- 3.5** As such, Kaifeng Jufeel wishes to leverage on Ms. Abigail Zhang's business networks in PRC to further expand in PRC and her ability to access and secure various food and beverage brands in the PRC and ASEAN region including ingredients, consumables, concepts and related supplies for distribution to various food & beverage outlets/distributors, as well as the Group's reputation and status as a listed company and English capabilities, to expand in ASEAN and other parts of the world. At the same time, the Group intends to accept the appointment as Kaifeng Jufeel's distributor to expand into the distribution business and to leverage on and benefit from the distribution of the Products and the food and beverage brands, for the reasons set out in **Paragraphs 3.2 and 3.4** above. Accordingly, both Kaifeng Jufeel and the Group believe that there is synergy and mutual benefits for Kaifeng Jufeel and Raffles Brands in entering into the Master Agreement.

#### **4. EXPANSION OF BUSINESS OF RAFFLES BRANDS**

- 4.1** As set out in the JV Announcement, Raffles Brands is principally engaged in the business of developing, franchising and management of various food & beverage brands, including the central procurement of contractors, equipment, payment systems, supplies, services, utensils and other related products and services, or such other business as Ms. Abigail Zhang and Raffles Coffee Pte. Ltd. (being an indirect wholly owned subsidiary of the Company) may agree upon from time to time.



**4.2** In this regard, Ms. Abigail Zhang and Raffles Coffee Pte. Ltd. have agreed that Raffles Brands shall also undertake business relating to the distribution of:

- (i) health supplements and other health related products,
- (ii) food and beverage products and brands in the PRC and ASEAN region, including ingredients, consumables, concepts and related supplies for distribution to various food & beverage outlets/ other distributors as set out in **Paragraph 3.4** above, and
- (iii) such other related products,

which include the Products contemplated under the Master Agreement and other products from such other supplier as may be sourced by the Group from time to time, subject to relevant approval of the Company's shareholders' being obtained. The Company envisages that Raffles Brands may use e-commerce platforms to sell and distribute the foregoing products. Please refer **Paragraph 5.** for more details on the shareholders' approval to be sought.

## **5. SHAREHOLDERS' APPROVAL**

As set out above, pursuant to the Master Agreement, the appointment of the Distributor (and any of the Appointed Group Companies) as the exclusive distributor of the Products and the relevant obligations of the Distributor under the Master Agreement, among others, are conditional upon the Company having obtained all relevant approvals from its shareholders. The relevant shareholder approvals to be sought are set out below.

### **5.1 Proposed IPT Mandate**

5.1.1 As set out above, the Master Agreement is conditional upon shareholders' approval being obtained, in respect of the adoption of a general mandate for recurrent interested person transactions between the Group and Kaifeng Jufee (the "**Proposed IPT Mandate**"). The Proposed IPT Mandate, if approved by the shareholders at the EGM, will be subject to annual renewal at the annual general meetings of the Company.

5.1.2 The Company intends to rely on the Proposed IPT Mandate, which is intended to cover all transactions arising from and in connection with the Master Agreement and the Distribution Agreements (if any) between any Group Company and Kaifeng Jufee, including (among others) the purchase of Products from Kaifeng Jufee and any payment of the Purchase Prices in connection therewith, the payment of Kaifeng Jufee to the Distributor and any Appointed Group Company in respect of the Minimum Guaranteed Gross Profit Margin as set out in **Paragraph 2.3.5**, in view of the recurrent nature of the foregoing transactions.

5.1.3 The Proposed IPT Mandate, if passed, will also eliminate the need for the Company to seek shareholders' approval to be obtained each time the foregoing transactions, which are carried out in connection with or pursuant to the Master Agreement and / or Distribution Agreements (if any), cross the thresholds set out in Rule 906(1) of the Catalist Rules. This will substantially reduce the expenses associated with convening extraordinary general meetings (including the engagement of external professional advisers and preparation of documents), and will improve administrative efficacy considerably, allowing the Group's manpower, resources and time to be channelled towards attaining other business objectives available to the Group.

5.1.4 In accordance with Rule 920(b) of the Catalist Rules, the Company will appoint an independent financial adviser ("**IFA**") in due course to opine on whether the methods or procedures for determining transaction prices are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The opinion of the IFA will be included in the Circular (as defined below) to be published on the SGXNet in due course.

- 5.1.5 The Audit Committee will be obtaining an opinion from the IFA before forming its view on the Proposed IPT Mandate. The statement of the Audit Committee will also be disclosed in the Circular to be published on the SGXNet in due course.
- 5.1.6 The Company will also disclose that the methods or review procedures for determining transaction prices and other relevant interested person transaction policies, which shall also take into account the Minimum Guaranteed Gross Profit Margin and Minimum Selling Price, in the Circular to be issued in due course. The Company will also ensure that the Group adheres to the foregoing methods, review procedures and policies in determining the Purchase Prices and Selling Prices of new customer contracts.

## **5.2 Proposed expansion and diversification of business**

- 5.2.1 As at the date of this announcement, the existing scope of the Group's business is set out below:-

5.2.1.1 Food and beverage ("**F&B**") business, which includes the management of food courts, coffee shops and eating houses, and the provision of F&B management, services; and

5.2.1.2 Branding, operation and procurement ("**BOP**") business, which includes the following activities:

- (i) provision of BOP services relating to (1) branding management, (2) operation support, (3) central procurement, (4) recruitment, customised training and development of human resource;
- (ii) the acquisition and holding of investments in business providing the above services above and holding the same for long-term investment; and
- (iii) any other activity related to or ancillary to the foregoing.

- 5.2.2 The distribution business as set out in **Paragraph 4.2** above, is not within the existing scope of the Group's business as set out above. Therefore, the Company intends to expand its business to include the distribution business in connection with the Distributor's entry into the Master Agreement ("**Proposed Expansion of Business**").

- 5.2.3 In this regard, Paragraph 2 of Practice Note 10A of the Catalist Rules provides that an acquisition will not be considered as within the ordinary course of business, if the asset to be acquired is not part of the existing principal business of the Company and the acquisition changes the issuer's risk profile, and such acquisition may be subject to shareholders' approval under Chapter 10 of the Catalist Rules. Notwithstanding that the Proposed Expansion of Business does not arise out of, and the entry into the Master Agreement does not constitute, a potential acquisition, the Company understands that the nature of the distribution business would be different from the F&B business and BOP business as set out above, and expects that this would result in a change in the risk profile of the Company.

- 5.2.4 Accordingly, the Company would be seeking shareholders' approval of the Proposed Expansion of Business and the resulting change in risk profile, at the extraordinary general meeting to be convened. Further details of the Proposed Expansion of Business and change in risk profile will be included in the Circular to be published on the SGXNet in due course.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 6.1 Save as otherwise disclosed in this announcement, none of the Directors or substantial shareholders of the Company, as well as their respective associates, has any direct or indirect interest in the Master Agreement, other than through their respective shareholdings (if any) in the Company.

**6.2** Mr. Zhang will abstain from deliberating and making any recommendation to the Board and shareholders in respect of the resolutions in connection with the Proposed IPT Mandate, the entry into the Master Agreement and the Proposed Expansion of Business.

**6.3** Kaifeng Jufel and Mr. Zhang will abstain and ensure that their respective associates will abstain from voting on the resolutions in connection with the Proposed IPT Mandate and the Proposed Expansion of Business.

## **7. EXTRAORDINARY GENERAL MEETING AND CIRCULAR**

A circular (the “**Circular**”) to shareholders containing, inter alia, further information of the Proposed IPT Mandate and the Proposed Expansion of Business to seek shareholders' approval for the foregoing resolutions, together with the notice of extraordinary general meeting to be convened, will be published by the Company on SGXNet in due course.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Master Agreement, the Proposed IPT Mandate, the Proposed Expansion of Business, and the Company and its subsidiaries, and the Board are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Board has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **9. DOCUMENTS FOR INSPECTION**

**9.1** A copy of the Master Agreement will be made available for inspection during normal business hours at the registered office of the Company at 680 Upper Thomson Road #02-01 Singapore 787103, for a period of 3 months from the date of this announcement.

**9.2** In light of the prevailing regulations due to the COVID-19 situation, any Shareholder who wishes to inspect the document should contact the Company at the email address [info@gsholdings.com](mailto:info@gsholdings.com) at least 3 working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the document. Shareholders will need to identify themselves by stating his/ her/ its full name as it appears on his/her/its CDP /CPF /SRS share records, contact number and NRIC/ Passport/ UEN number and state the manner in which he/ she /it holds his/ her/ its Shares in the Company (e.g. via CDP, CPF or SRS).

## **10. FURTHER ANNOUNCEMENTS**

The Company will make further announcements to keep shareholders informed, as and when there are further material updates and developments in respect of the Master Agreement.

## **11. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. As at the date of this announcement, there is no certainty or assurance that the

Master Agreement, the Proposed IPT Mandate and the Proposed Expansion of Business will be carried out or that no changes will be made to the terms thereof. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

**BY ORDER OF THE BOARD**

Pang Pok  
Executive Chairman and Chief Executive Officer

29 January 2021

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

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

*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.*