

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

---

- (1) **PROPOSED VARIATION OF THE 2017 AMENDMENT DEED**
  - (2) **PROPOSED CAPITALISATION OF PART OF THE LOAN FROM MR PANG POK TO GS HOLDINGS LIMITED**
  - (3) **PROPOSED ISSUE OF UP TO 11,764,705 NON-LISTED, NON-TRANSFERABLE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF GS HOLDINGS LIMITED**
- 

## **1. INTRODUCTION**

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 7 March 2019 entered into a deed with Mr Pang Pok, the Company’s Executive Chairman and Chief Executive Officer (“**Mr Pang**”) in respect of among others the following:

- (a) a variation of the terms of the amendment deed dated 31 March 2017 (the “**2017 Amendment Deed**”) executed by Mr Pang in favour of the Company in respect of, among others, the undertaking from Mr Pang to forgive and/or grant certain loans to the Company (the “**Loan Undertaking**”). Further details on the Loan Undertaking is set out in section 2.1 of this announcement;
- (b) capitalisation of certain loans owing by the Company to Mr Pang; and
- (c) repayment of certain loans owing by the Company to Mr Pang by a certain date, (collectively, the “**Deed**”).

## **2. THE PROPOSED VARIATION OF THE LOAN UNDERTAKING**

### **2.1 Overview of the Loan Undertaking**

#### (a) The 2015 Deed of Undertaking

In connection with the listing and quotation of the shares in the Company (each a “**Share**”) on the Official List of the SGX-Catalist, Mr Pang had executed a deed of undertaking dated 6 November 2015 in favour of the Company in relation to the Loan Undertaking (the “**2015 Deed of Undertaking**”). Pursuant to the 2015 Deed of Undertaking, Mr Pang had agreed, among others, that if the Company:

- (i) has incurred an Operating Loss (as defined below) for its financial results for the 6-month period ended 30 June 2016 (“**1H2016**”), (aa) he shall forgive the S\$1,000,000 (the “**Existing Loan**”) owed by the Company to him in its entirety, and (bb) he shall grant an additional S\$3,000,000 (the “**Additional Loan**”) interest-free shareholder’s loan to the Company for its working capital requirements or any other purpose which the Company may deem fit within 30 days from the date of the Company’s announcement of the 1H2016 financial results; and / or

- (ii) has incurred an Operating Loss for its financial results for 1H2016, and continues to incur an Operating Loss for its audited financial results for the financial year ended 31 December 2016 (“**FY2016**”), he shall forgive the Additional Loan in its entirety.

For the purposes herein, pursuant to the Loan Undertaking, “**Operating Loss**” shall be determined by taking the operating revenue of the Group which is derived from only the Group’s dishware washing business, less all costs (including cost of sales, sales and administrative expenses, and depreciation and taxes), but excluding any extraordinary or one-off items (such as expenses incurred in connection with the listing of the Company on the Official List of the SGX-Catalist, and any loss or gain on any valuation or disposal of the Group’s assets). The determination of the Company’s auditors of the Operating Loss for 1H2016 and FY2016 shall be final and conclusive.

As announced on 11 August 2016 in the Company’s unaudited financial statements for 1H2016 and in compliance with the terms of the 2015 Deed of Undertaking, Mr Pang had forgiven the Existing Loan of S\$1,000,000.

(b) The 2017 Amendment Deed

On 31 March 2017, the terms of the 2015 Deed of Undertaking was varied pursuant to the 2017 Amendment Deed. The variation of the terms of the 2015 Deed of Undertaking pursuant to the 2017 Amendment Deed was approved by the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting of the Company (the “**EGM**”) held on 28 April 2017. Pursuant to the 2017 Amendment Deed, Mr Pang had undertaken, among others, that if the Company:

- (i) records an Operating Loss for its audited financial results for 1H2016, as determined by the Company’s auditors, and continues to incur an Operating Loss for its audited financial results for the **FY2016**, he is not obliged to forgive the Additional Loan in its entirety, and he shall automatically and without any further action on the part of the Company disburse S\$2,000,000 out of the Additional Loan within 30 days from the date of the audited financial statements of the Company for FY2016;
- (ii) records an Operating Loss for its audited financial results for the financial year ended 31 December 2017 (“**FY2017**”), he shall automatically and without any further action on the part of the Company disburse the remaining S\$1,000,000 (if not already disbursed) out of the Additional Loan within 30 days from the date of the audited financial statements of the Company for FY2017; and / or
- (iii) records an Operating Loss for its audited financial results for financial year ended 31 December 2018 (“**FY2018**”), he shall automatically and without any further action on the part of the Company disburse any amount remaining under the Additional Loan, and shall immediately thereafter forgive the Additional Loan in its entirety.

As announced on 26 February 2019 in the Company’s unaudited financial statements for FY2018, Mr Pang has forgiven a part of the Additional Loan in the sum of S\$1,000,000.

Shareholders should note that pursuant to the 2017 Amendment Deed, the definition of “**Operating Loss**” was further clarified, such that “**Operating Loss**” shall be determined by taking the operating revenue of the Group which is derived from the

Group's dishware washing business, and related and ancillary businesses thereto (including but not limited to the dishware washing business, the sale and rental of crockeries, the sale of trays collection robots, trays return systems, and waste disposal systems, and the Group's hotel and clubs stewarding businesses), less all costs (including cost of sales, sales and administrative expenses, finance charges and expenses, depreciation, and taxes), but excluding any extraordinary or one-off items (such as any loss or gain on any valuation or disposal of the Group's assets). The determination of the Company's auditors of the Operating Loss for 1H2016, FY2016, FY2017, and FY2018 shall be final and conclusive. Furthermore, the 2017 Amendment Deed clarifies that the operating revenue and costs in relation to Operating Loss do not include rental income nor expenses directly related to such rental income.

Shareholders may wish to refer to the Company's circular dated 11 April 2017 for further details on the 2015 Deed of Undertaking and the 2017 Amendment Deed.

## 2.2 Loans Disbursed to the Company

As at the date of this announcement, the amount disbursed by Mr Pang to the Company so far is set out below:-

Amount of Loan from Mr Pang	Provided pursuant to the Loan Undertaking?	Mode of Repayment
S\$1,000,000 (being the Existing Loan)	Yes, this is provided in the 2015 Deed of Undertaking.	Pursuant to the 2015 Deed of Undertaking, the loan of S\$1,000,000 shall be forgiven. This amount was forgiven as announced in the Company's unaudited financial statements for 1H2016.
S\$3,000,000 (being the Additional Loan)	Yes, this is provided in the 2015 Deed of Undertaking (as amended pursuant to the 2017 Amendment Deed).	Pursuant to the 2017 Amendment Deed, Mr Pang shall immediately forgive the Additional Loan in its entirety if the Company records an Operating Loss for its audited financial results for FY2018.  S\$1,000,000 has already been forgiven by Mr Pang as set out in the Company's unaudited financial statements for FY2018. In accordance with the 2017 Amendment Deed, the remaining S\$2,000,000 of the Additional Loan is likely to also be forgiven as the Company's unaudited financial statements for FY2018 announced on 26 February 2019 reflects a loss.
S\$1,200,000 (being the "New Loan")	No. This is an additional loan.	As set out in the Deed, the New Loan shall be satisfied as follows:  (a) S\$1,000,000 to be repaid by way of such number of Shares

Amount of Loan from Mr Pang	Provided pursuant to the Loan Undertaking?	Mode of Repayment
		<p>pursuant to the Proposed Loan Capitalisation (as defined in <u>section 3.1</u> below); and</p> <p>(b) S\$200,000 to be paid in cash.</p>

As at the date of this announcement, the amount owed by the Company to Mr Pang is S\$3,200,000.

### 2.3 Terms of the Proposed Variation of the Loan Undertaking

Pursuant to the Deed, subject to the relevant conditions, the Parties have agreed to vary the terms of the Loan Undertaking under the 2017 Amendment Deed (the “**Proposed Variation**”) such that insofar as Mr Pang remains a director of the Company (the “**Director**”) or an employee of the Group, and in any case for a period of 12 calendar months after he ceases to be employed by the Group, in the event that the Company records an Operating Loss (as defined in the 2017 Amendment Deed) for its audited financial results for FY2018, Mr Pang shall:

- (a) automatically and without any further action on the part of the Company disburse any amount remaining under the Additional Loan; and
- (b) immediately thereafter forgive the Additional Loan in the amount of S\$1,000,000; and
- (c) in respect of the remaining part of the Additional Loan in the amount of S\$2,000,000, Mr Pang shall agree to capitalise such loan into Shares on such terms and subject to such conditions as may be specified by the Board and approved by the Company’s audit and risk committee (the “**Audit and Risk Committee**”).

The issuance of Shares pursuant to such capitalisation shall be subject to the relevant Shareholders’ approval being obtained under the Catalist Rules (including Rule 804 and Rule 812). In this regard, Mr Pang shall abstain from any deliberations and / or discussions by the Board on the terms of the capitalisation of the loan, and shall abstain from voting on any resolutions to be approved by Shareholders in respect of the foregoing.

### 2.4 Conditions to the Proposed Variation

The Proposed Variation is subject to the following conditions:

- (a) the Audit and Risk Committee having given its consent in writing for the Proposed Variation;
- (b) a majority of holders of voting rights of the Company present and voting at an EGM, approve by way of a poll, a resolution for the Proposed Variation (the “**2019 Amendment Resolution**”);
- (c) the 2019 Amendment Resolution is separate from other resolutions to be tabled at the relevant EGM; and
- (d) Mr Pang and his associates (as defined in the Catalist Rules) shall abstain from voting on the 2019 Amendment Resolution.

**Shareholders should note that if the relevant Shareholders’ approval is not obtained in respect of the 2019 Amendment Resolution, (i) Mr Pang shall immediately forgive the sum of S\$2,000,000, being part of the Additional Loan, in accordance with the terms of**

the 2017 Amendment Deed, and (ii) only S\$1,000,000 (being part of the New Loan) shall be payable by way of the issuance and allotment of Shares pursuant to the Proposed Loan Capitalisation (as defined in section 3.1 below).

### 3. THE PROPOSED LOAN CAPITALISATION

#### 3.1 Moneys Outstanding

Pursuant to the Deed, the Company and Mr Pang have agreed that the sum of S\$3,200,000 (the “**Moneys Outstanding**”) comprising the following amounts shall, subject to the relevant conditions precedent, be repaid to Mr Pang in the following manner: -

<b>Manner of Repayment</b>	<b>Amount of Moneys Outstanding</b>
By way of allotment and issuance to Mr Pang of such number of Shares at the Conversion Price (as defined below) (the “ <b>Proposed Loan Capitalisation</b> ”)	(i) S\$2,000,000 (being part of the Additional Loan which has not been forgiven) (subject to Shareholders’ approval being obtained for the 2019 Amendment Resolution); and  (ii) S\$1,000,000 (being part of the New Loan),  (collectively, the “ <b>Capitalised Amount</b> ”)
By way of payment in cash no later by 31 March 2019	S\$200,000 (being part of the New Loan)
<b>Total</b>	<b>S\$3,200,000</b>

#### 3.2 Salient Terms of the Proposed Loan Capitalisation

##### 3.2.1 Conversion

Pursuant to the Deed, Mr Pang has agreed to convert a part of the Moneys Outstanding in the sum of S\$3,000,000 into such number of Shares (each a “**Conversion Share**”) at the Conversion Price (as defined below).

##### 3.2.2 Conversion Price

Each Conversion Share shall be issued at the IPO Price or such price equivalent to the volume weighted average price (“**VWAP**”) per Share on the last full market day preceding the date of the Deed on which trades in the Shares were recorded on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), whichever is higher. For the purposes of this announcement, “**IPO Price**” means the price of S\$0.250, being the price offered per Share at the initial public offering of the Company on the Catalist board of the SGX-ST.

As the VWAP per Share of S\$0.255 for the trades done on the SGX-ST on 21 February 2019, being the last full market day preceding the date of the Deed on which trades in the Shares were recorded on the SGX-ST is higher than the IPO Price, in accordance with the terms of the Deed, each Conversion Share shall be issued at an issue price of S\$0.255 (the “**Conversion Price**”). There were no trades in the Shares recorded on the SGX-ST on 22 February 2019, 25

February 2019, 26 February 2019, 27 February 2019, 28 February 2019, 1 March 2019, 4 March 2019, 5 March 2019 and 6 March 2019.

The Conversion Price was mutually agreed on between the Company and Mr Pang based on arms' length negotiations and was arrived at after taking into consideration (i) the rationale as set out in section 5 of this announcement, (ii) the financial performance and condition and cash flow generation abilities of the Group, (iii) Mr Pang's continuing support for the Group's future development, and (iv) the requirements under Rule 811(1) of the Catalist Rules.

### **3.2.3** Number of Conversion Shares

Based on the Conversion Price of S\$0.255, the number of Conversion Shares to be issued to Mr Pang will be:

- (a) 11,764,705 Shares (if Shareholders' approval is obtained for the 2019 Amendment Resolution and the Capitalised Amount being S\$3,000,000); or
- (b) 3,921,568 Shares (if Shareholders' approval is not obtained for the 2019 Amendment Resolution and the Capitalised Amount being S\$1,000,000).

### **3.2.4** Ranking of Conversion Shares

The Conversion Shares shall, when allotted and issued on conversion, (i) be duly authorised and free from all encumbrances whatsoever, (ii) be validly issued and credited as fully paid up, and (iii) in all respects rank *pari passu* with the then existing Shares (except that the Conversion Shares shall not rank for any rights, dividends, entitlements or other distributions, the Record Date for which falls on or before the date of allotment of the Conversion Shares).

For the purposes herein, "**Record Date**" refers to the date fixed by the Company for the purposes of determining the entitlements to dividends or other distributions to or rights of holders of Shares.

### **3.3** **Capitalisation Conditions Precedent**

Completion of the Proposed Loan Capitalisation ("**Capitalisation Completion**") is conditional upon, *inter alia*, the fulfilment of the following conditions precedent:

- (a) in respect of the capitalisation of the S\$2,000,000 (being part of the Additional Loan), the relevant shareholders' approval being obtained in respect of the 2019 Amendment Resolution. For the avoidance of doubt, if the relevant Shareholders' approval is not obtained for the 2019 Amendment Resolution, the Proposed Loan Capitalisation shall only be carried out in respect of the Capitalised Amount in the sum of S\$1,000,000 only (being part of the New Loan) and shall exclude the sum of S\$2,000,000, being part of the Additional Loan (which is to be forgiven under the 2017 Amendment Deed);
- (b) specific shareholders' approval(s) as required under Section B of the Listing Manual: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST (including such approvals pursuant to Rule 804, Rule 812 and Chapter 9 of the Catalist Rules) having been obtained at an EGM to be convened for, among others, the issuance of the Conversion Shares (on terms and conditions acceptable to the Company and Mr Pang (as the case may be), each acting reasonably) and not being revoked or amended;
- (c) the approval in-principle from the SGX-ST for the listing of and quotation ("**Listing Approval**") of the Conversion Shares having been obtained (on terms and conditions acceptable to the Company and Mr Pang, each acting reasonably) and not being revoked or amended, and any conditions attached to such Listing Approval which are

required to be fulfilled on or before the date of the Capitalisation Completion (the “**Capitalisation Completion Date**”), having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST; and

- (d) the issuance of the Conversion Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Deed by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or Mr Pang (including but not limited to the SGX-ST).

(collectively, the “**Capitalisation Conditions Precedent**”).

The long stop date for the fulfillment of the Capitalisation Conditions Precedent is such date falling 180 calendar days after the date of the Deed or such other date as the Company and Mr Pang may agree.

### 3.4 Capitalisation Completion

Upon the Capitalisation Completion, the obligation to repay the Capitalised Amount will be deemed to have been discharged and all rights accruing to Mr Pang in connection with the Capitalised Amount which have been converted in accordance with the terms of the Deed will thereby be extinguished.

## 4. THE PROPOSED WARRANTS ISSUE

### 4.1 Introduction

Pursuant to the Deed, the Company will issue and allot such number of free warrants (the “**Warrants**”) at the Exercise Price (as defined below) (the “**Proposed Warrants Issue**”) to Mr Pang. The number of Warrants to be issued to Mr Pang shall be on the basis of 1 Warrant for each Conversion Share issued to Mr Pang.

### 4.2 Key Terms of the Warrants

The key terms of the Warrants are as follows:-

- Number of Warrants** : 1 Warrant for each Conversion Share issued to Mr Pang. For the avoidance of doubt, where:
- (a) Shareholders’ approval is obtained for the 2019 Amendment Resolution, an aggregate of 11,764,705 Warrants shall be issued to Mr Pang; or
  - (b) Shareholders’ approval is not obtained for the 2019 Amendment Resolution, an aggregate of 3,921,568 Warrants shall be issued to Mr Pang.
- Subscription rights** : Subject to the terms and conditions of the Warrants set out in a deed poll to be executed (the “**Deed Poll**”), each Warrant shall entitle Mr Pang, at any time during the Exercise Period (as defined below), to subscribe for one (1) new Share at the Exercise Price (each a “**Warrant Share**”).
- Exercise Price** : Each Warrant shall be exercised at an exercise price equivalent to the Conversion Price of S\$0.255 (the “**Exercise Price**”).

The Exercise Price is equivalent to the VWAP per Share of S\$0.255 for the trades done on the SGX-ST on 21 February 2019, being the last full market day preceding the date of the Deed on which trades in the Shares were recorded on the SGX-ST. There were no trades in the Shares recorded on the SGX-ST on 22 February 2019, 25 February 2019, 26 February 2019, 27 February 2019, 28 February 2019, 1 March 2019, 4 March 2019, 5 March 2019 and 6 March 2019.

The Exercise Price was mutually agreed on between the Company and Mr Pang based on arms' length negotiations and was arrived at after taking into consideration (i) the rationale as set out in section 5 of this announcement, (ii) the financial performance and condition and cash flow generation abilities of the Group, (iii) Mr Pang's continuing support for the Group's future development, and (iv) the requirements under Rule 811(1) of the Catalist Rules.

- Exercise Period** : The Warrants may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the market day immediately preceding the second anniversary of the date of issue of the Warrants (the "**Exercise Period**"). Warrants which remain unexercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
- End of Exercise Period** : The Company shall, not later than one (1) month before the expiry of the Exercise Period, give notice to Mr Pang in accordance with the conditions set out in the Deed Poll, and announce the expiration date of the Warrants on the SGXNet.
- Status of Warrant Shares** : The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue:
- (a) rank *pari passu*, in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue and allotment of the Warrant Shares; and
  - (b) be listed on the SGX-ST and free from pre-emptive rights.
- Adjustment to Exercise Price and/or the number of Warrants** : The Exercise Price and/or the number of Warrants to be held by Mr Pang will, after their issue, be subject to adjustments under certain circumstances to be set out in the Deed Poll. Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants and will for all purposes form part of the same series.
- Transferability and Listing** : The Warrants shall not be transferable and will not be listed and traded on the Catalist of SGX-ST.

#### 4.3 Conditions Precedent for the Proposed Warrants Issue

Completion of the Proposed Warrants Issue is conditional upon, *inter alia*, the fulfilment of the following conditions precedent:

- (a) specific shareholders' approval(s) as required under the Catalist Rules (including such approvals pursuant to Rule 804, Rule 812 and Chapter 9 of the Catalist Rules) having been obtained at an EGM to be convened for, among others, the Proposed Warrants Issue and the issuance of such number of Warrant Shares pursuant to the exercise of the Warrants (on terms and conditions acceptable to the Company and Mr Pang (as the case may be), each acting reasonably) and not being revoked or amended;
- (b) the Listing Approval for the Warrant Shares having been obtained (on terms and conditions acceptable to the Company and Mr Pang, each acting reasonably) and not being revoked or amended, and any conditions attached to such Listing Approval which is required to be fulfilled on or before the date of issuance of the Warrants, having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST; and
- (c) the Proposed Warrants Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Deed by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or Mr Pang (including but not limited to the SGX-ST).

The long stop date for the fulfillment of the above conditions precedent is such date falling 180 calendar days after the date of the Deed or such other date as the Company and Mr Pang may agree.

#### **4.4 Completion of the Proposed Warrants Issue**

Subject to the conditions precedent for the Proposed Warrants Issue specified in [section 4.3](#) above being satisfied (or waived, as the case may be), the Company shall, as soon as practicable, issue the Warrants and deliver to Mr Pang the Deed Poll.

For the avoidance of doubt, the issue of the Conversion Shares and the Warrants need not be completed simultaneously.

### **5. RATIONALE FOR THE PROPOSED VARIATION, PROPOSED LOAN CAPITALISATION AND PROPOSED WARRANTS ISSUE**

The Company is undertaking the Proposed Variation, the Proposed Loan Capitalisation and Proposed Warrants Issue in recognition of Mr Pang's continuing and unwavering show of support and commitment for the Company, in particular:

- (a) Mr Pang's continued financial support for the Group in the form of interest-free loans;
- (b) Mr Pang agreeing to make available the New Loan in the sum of S\$1,200,000 to the Company to tide it through its difficult times notwithstanding that he is under no such obligation to provide such New Loan;
- (c) Mr Pang procuring the injection of a profitable asset into the Group via the Company's acquisition of Hao Kou Wei Pte. Ltd. which is owned by Ms Ang Siew Kiock, the spouse and associate of Mr Pang (the "**Proposed Acquisition**"). Shareholders may wish to refer to the announcement released by the Company on 17 December 2018 and the Company's circular dated 11 February 2019 for more information on the Proposed Acquisition;

- (d) the new initiatives commenced by Mr Pang for the future expansion of the Group's business (including the Group's expansion plans into the food and beverage business in the People's Republic of China);
- (e) Mr Pang agreeing to capitalise part of the New Loan in the sum of S\$1,000,000 and accepting cash repayment of only S\$200,000; and
- (f) specifically in respect of the Proposed Warrants Issue, Mr Pang having forgiven in FY2016 and FY2018 an aggregate of S\$2,000,000 interest-free loans borrowed by the Company.

In addition, the capitalisation of part of the New Loan in the sum of S\$1,000,000 will enable the Group to:

- (i) reduce its current liabilities and settle all outstanding loans owed by the Company to Mr Pang;
- (ii) eliminate one of the competing needs for working capital and improve the Company's net tangible assets ("**NTA**") value and reduce its loss per share ("**LPS**"); and
- (iii) eliminate the need for any cash repayment or payment in view of the current financial and cash position of the Group.

## 6. USE OF PROCEEDS FROM PROPOSED WARRANTS ISSUE

6.1 Assuming all Warrants are fully exercised into Warrant Shares, the estimated amount of additional proceeds that may be raised from the Proposed Warrants Issue, after deducting expenses of approximately S\$50,000 incurred in connection with the Proposed Warrants Issue (the "**Net Warrants Proceeds**") will be as set out below:-

	<b>Assuming Shareholders' approval is obtained for the 2019 Amendment Resolution and an aggregate of 11,764,705 Warrants are issued</b>	<b>Assuming Shareholders' approval is <u>not</u> obtained for the 2019 Amendment Resolution and an aggregate of 3,921,568 Warrants are issued</b>
<b>Gross Warrants Proceeds</b>	S\$3,000,000 (approximate)	S\$1,000,000 (approximate)
<b>Net Warrants Proceeds</b>	S\$2,950,000 (approximate)	S\$950,000 (approximate)

6.2 The Company intends to utilise the entirety of the Net Warrants Proceeds as follows:

- (a) approximately 30% of the Net Warrants Proceeds for general working capital purposes; and
- (b) approximately 70% of the Net Warrants Proceeds for business expansion and / or acquisitions.

6.3 Pending the deployment of the Net Warrants Proceeds for the above-mentioned purposes, the Net Warrants Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in their absolute discretion deem fit in the best interest of the Group.

- 6.4** The Company will make periodic announcements as and when the Net Warrants Proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Warrants Proceeds in the interim and full year financial statements and the annual report. Where the Net Warrants Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Warrants Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of the Net Warrants Proceeds, the Company will announce the reason(s) for such deviation.
- 6.5** Shareholders should note that as the issuance of Conversion Shares is in connection with the capitalisation of part of the Moneys Outstanding, no proceeds are to be raised from the issuance of the Conversion Shares.

## **7. DIRECTORS' OPINION**

The directors of the Company (the "**Directors**") are of the opinion that after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities, the Proposed Loan Capitalisation and the net proceeds from the Proposed Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the foregoing, the Company has decided to enter into the Deed to strengthen its financial position in order to meet its anticipated general working capital requirements and business expansion. Shareholders should also refer to section 5 of this announcement for rationale of the Proposed Loan Capitalisation and the Proposed Warrants Issue (collectively, the "**Proposed Transactions**").

## **8. SHAREHOLDERS' APPROVAL FOR THE PROPOSED TRANSACTIONS**

### **8.1 Rule 805(1) – Specific Mandate**

Section 161 of the Companies Act (Chapter 50) of Singapore and Rule 805(1) of the Catalyst Rules provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Catalyst Rules.

The Company will not be relying on the general mandate previously obtained from Shareholders on 26 April 2018 or the general mandate to be obtained from Shareholders at the upcoming annual general meeting of the Company for the allotment and issue of the Conversion Shares, Warrants and Warrant Shares. The allotment and issue of the Conversion Shares, Warrants and Warrant Shares will be made pursuant to a specific mandate and as such, the Company will be seeking specific Shareholder's approval for the allotment and issue of the Conversion Shares, Warrants and Warrant Shares in accordance with Rule 805(1) of the Catalyst Rules.

## **8.2 Rule 804 and Rule 812 – Issuance of Shares to Restricted Persons**

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

In addition, Rule 812 of the Catalist Rules further provides, among others, that an issue must not be placed to an issuer's directors and substantial shareholders unless specific shareholder approval for such a placement has been obtained and the director or substantial shareholder and their respective associates abstain from voting on the resolution approving the placement.

Mr Pang is the Executive Chairman, Chief Executive Officer and a controlling shareholder of the Company. Accordingly, pursuant to Rule 804 and Rule 812 of the Catalist Rules, the Company will be seeking Shareholders' approval for the allotment and issue of the Conversion Shares, Warrants and Warrant Shares at an EGM to be convened.

Pursuant to Rule 812(2) of the Catalist Rules, Mr Pang shall abstain, and will procure that his associates abstain, from voting on the resolutions relating to the Proposed Loan Capitalisation and Proposed Warrants Issue.

## **9. THE PROPOSED TRANSACTIONS AS INTERESTED PERSON TRANSACTIONS**

### **9.1 Interested Person Transaction**

Mr Pang is a Director and controlling Shareholder, holding approximately 69.96% of the issued share capital of the Company as at the date of this announcement. Accordingly, for the purposes of Chapter 9 of the Catalist Rules, Mr Pang would be considered an "interested person" vis-a-vis the Company, which is regarded as an "entity at risk" pursuant to Chapter 9 of the Catalist Rules. Accordingly, the Proposed Loan Capitalisation and the Proposed Warrants Issue (being the Proposed Transactions) both constitute "interested person transactions" under Chapter 9 of the Catalist Rules.

### **9.2 NTA**

Based on the audited consolidated financial statements of the Group for FY2017 (being the latest audited full year financial statements available as at the date of this announcement), 5% of the NTA of the Group, being S\$3.08 million, is approximately S\$154,000.

### **9.3 Shareholders' Approval**

As the value of the Proposed Loan Capitalisation and Proposed Warrants Issue is likely to represent more than 5% of the Group's latest audited consolidated NTA for FY2017, approval of the non-interested Shareholders will be required for the Proposed Transactions, in accordance with Rule 906 of the Catalist Rules. The Company will therefore be seeking Shareholders' approval at the EGM for the Proposed Transactions being interested person transactions.

### **9.4 Total Value of Interested Person Transactions**

For the period from the beginning of the current financial year (being 1 January 2019) to the date of this announcement:

- (a) the total value of all interested person transactions entered into by the Company or any member of the Group with Mr Pang (excluding transactions which are less than S\$100,000) is zero; and
- (b) the total value of all interested person transactions entered into by the Company or any member of the Group (excluding transactions which are less than S\$100,000) is approximately S\$216,000.

## **9.5 IFA Opinion**

Pursuant to Rule 921(4)(a) of the Catalist Rules, an issuer is required to appoint an independent financial adviser (the “**IFA**”) to advise the independent directors on whether the interested person transaction:

- (a) is on normal commercial terms; and
- (b) is prejudicial to the interests of the issuer and its minority shareholders.

The Company will be appointing an IFA to provide an opinion on whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. The IFA’s opinion will be included in the circular to be despatched to Shareholders in connection with the EGM to seek Shareholders’ approval for the Proposed Transactions (the “**Circular**”).

## **9.6 Opinion of Audit and Risk Committee**

The Company’s Audit and Risk Committee (comprising Mr Lee Dah Khang, Mr Chong Eng Wee, Mr Chow Kek Tong and Mr Liu Changsheng), who do not have any interest in the Proposed Transactions and are accordingly deemed to be independent for the purposes of the Proposed Transactions) will form its view as to whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders upon receipt of the IFA’s opinion referred to in section 9.5 above. The Audit and Risk Committee’s view will be set out in the Circular.

## **9.7 Abstention from voting**

Rule 919 of the Catalist Rules states that interested persons shall abstain and undertake that their associates shall abstain from voting on the resolution approving interested person transactions involving them and the Group. Such interested persons and their associates also shall not act as proxies in relation to such resolutions unless specific voting instructions have been given by the relevant Shareholder.

Accordingly, Mr Pang shall abstain, and undertake that his associates shall abstain, from voting in respect of each of their shareholdings in the Company on the resolutions approving the Proposed Transactions. In addition, Mr Pang and his associates shall decline appointment(s) as proxy(ies) to vote at the forthcoming EGM for other Shareholders in respect of the resolutions approving the Proposed Transactions, respectively, unless the Shareholders concerned have given specific instructions as to the manner in which his/her/its votes are to be cast at the EGM.

# **10. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS**

## **10.1 Bases and Assumptions**

The financial effects of the Proposed Transactions on the share capital, LPS and NTA per Share of the Group have been prepared based on the unaudited consolidated financial

statements of the Group for the financial year ended 31 December 2018 (being the latest announced consolidated full year financial statements of the Group available as at the date of this announcement) .

The *pro forma* financial effects of the Proposed Transactions 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 Transactions.

For illustration purposes only, the financial effects of the Proposed Transactions 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 Transactions were completed on 31 December 2018, being the end of the most recently completed financial year;
- (b) the financial effects on the Group's loss attributable to the Shareholders and LPS have been computed assuming that the Proposed Transactions were completed on 1 January 2018, being the beginning of the most recently completed financial year;
- (c) no adjustments have been made to the Exercise Price;
- (d) the expenses in connection with the Proposed Transactions have been disregarded;
- (e) the completion of the issuance of 18,655,555 Shares to Marvel Earn Limited pursuant to the placement agreement entered into by the Company with Marvel Earn Limited on 17 December 2018 (the "**Second Tranche Marvel Placement**");
- (f) the completion of the issuance of 14,000,000 Shares (the "**Consideration Shares**") to Ms Ang Siew Kiock in connection with the Proposed Acquisition;
- (g) the Company draws down an aggregate of RMB 68,000,000 (or S\$13,600,000) facilities extended by the relevant lenders (the "**Lenders**") pursuant to the convertible loan agreement entered into by the Company dated 17 December 2018 (the "**Convertible Loan**") and assuming the Lenders have exercised their conversion rights under the Convertible Loan and are issued 93,688,888 new Shares (the "**Lenders' Conversion Shares**"); and
- (h) issuance of 50,000,000 warrants to Alto Vencap Pte. Ltd. (the "**Introducer**") pursuant to the introducer agreements entered into by and between the Company and the Introducer dated 17 December 2018 (the "**Introducer Warrants**") and assuming that the Introducer has exercised all of the Introducer Warrants resulting in the issuance of 50,000,000 new Shares (the "**Introducer Warrants Shares**").

In addition, the financial effects have been prepared based on the following scenarios:

- (i) where Shareholders' approval is obtained for the 2019 Amendment Resolution and 11,764,705 Warrant Shares are issued and allotted to Mr Pang pursuant to the exercise of all 11,764,705 Warrants at the Exercise Price ("**Scenario A**"); and
- (ii) where Shareholders' approval is not obtained for the 2019 Amendment Resolution and 3,921,568 Warrant Shares are issued and allotted to Mr Pang pursuant to the exercise of all 3,921,568 Warrants at the Exercise Price ("**Scenario B**").

Shareholders may wish to refer to the announcements released by the Company on 17 December 2018, 7 January 2019 and 10 January 2019, and the Company's circular dated 11

February 2019 for more information on the Proposed Acquisition, the Second Tranche Marvel Placement, the Convertible Loan and the Introducer Warrants.

## 10.2 Share Capital

	Scenario A		Scenario B	
	No. of Shares	\$'000	No. of Shares	\$'000
Issued share capital as at 7 March 2019	140,348,000	13,026	140,348,000	13,026
<b>Add:-</b>				
Second Tranche Marvel Placement Shares <sup>(1)</sup>	18,655,555	3,358	18,655,555	3,358
Consideration Shares <sup>(2)</sup>	14,000,000	2,520	14,000,000	2,520
Conversion Shares	11,764,705	3,000	3,921,568	1,000
Warrant Shares	11,764,705	3,000	3,921,568	1,000
Lenders' Conversion Shares <sup>(3)</sup>	93,688,888	16,864	93,688,888	16,864
Introducer Warrant Shares <sup>(4)</sup>	50,000,000	9,000	50,000,000	9,000
Enlarged share capital	340,221,853	50,768	324,535,579	46,768

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. PLEASE REFER TO THE FOLLOWING PAGES FOR SECTIONS 10.3 AND 10.4 ON FINANCIAL EFFECTS. ]**

### 10.3 Effect on NTA per Share

#### Scenario A

	As at 31 December 2018	After issuance of Second Tranche Marvel Placement Shares <sup>(1)</sup>	After issuance of Consideration Shares <sup>(2)</sup>	After issuance of Conversion Shares	After issuance of Warrant Shares	After issuance of Lenders' Conversion Shares <sup>(3)</sup>	After issuance of Introducer Warrant Shares <sup>(4)</sup>
NTA attributable to Shareholders (S\$'000)	551	3,909	3,426	6,426	9,426	26,290	35,290
Number of Shares ('000)	132,000	150,655	164,655	176,420	188,185	281,874	331,874
NTA per Share attributable to Shareholders (Singapore cents)	0.42	2.59	2.08	3.64	5.01	9.33	10.63

#### Scenario B

	As at 31 December 2018	After issuance of Second Tranche Marvel Placement Shares <sup>(1)</sup>	After issuance of Consideration Shares <sup>(2)</sup>	After issuance of Conversion Shares	After issuance of Warrant Shares	After issuance of Lenders' Conversion Shares <sup>(3)</sup>	After issuance of Introducer Warrant Shares <sup>(4)</sup>
NTA attributable to Shareholders (S\$'000)	551	3,909	3,426	4,426	5,426	22,290	31,290
Number of Shares ('000)	132,000	150,655	164,655	168,577	172,498	266,187	316,187
NTA per Share attributable to Shareholders (Singapore cents)	0.42	2.59	2.08	2.63	3.15	8.37	9.90

## 10.4 Effect on LPS

### Scenario A

	As at 31 December 2018	After issuance of Second Tranche Marvel Placement Shares <sup>(1)</sup>	After issuance of Consideration Shares <sup>(2)</sup>	After issuance of Conversion Shares	After issuance of Warrant Shares	After issuance of Lenders' Conversion Shares <sup>(3)</sup>	After issuance of Introducer Warrant Shares <sup>(4)</sup>
Net loss attributable to Shareholders (S\$'000)	(3,552)	(3,552)	(2,947)	(2,947)	(2,947)	(2,947)	(2,947)
Weighted average number of Shares ('000)	132,000	150,655	164,655	176,420	188,185	281,874	331,874
LPS (Singapore cents)	(2.69)	(2.36)	(1.79)	(1.67)	(1.57)	(1.05)	(0.89)

### Scenario B

	As at 31 December 2018	After issuance of Second Tranche Marvel Placement Shares <sup>(1)</sup>	After issuance of Consideration Shares <sup>(2)</sup>	After issuance of Conversion Shares	After issuance of Warrant Shares	After issuance of Lenders' Conversion Shares <sup>(3)</sup>	After issuance of Introducer Warrant Shares <sup>(4)</sup>
Net loss attributable to Shareholders (S\$'000)	(3,552)	(3,552)	(2,947)	(2,947))	(2,947)	(2,947)	(2,947)
Weighted average number of Shares ('000)	132,000	150,655	164,655	168,577	172,498	266,187	316,187
LPS (Singapore cents)	(2.69)	(2.36)	(1.79)	(1.75)	(1.71)	(1.11)	(0.93)

**Notes:**

- (1) Assuming the completion of the issuance of 18,655,555 Shares to Marvel pursuant to the Second Tranche Marvel Placement. Shareholders may wish to refer to the Company's announcements dated 17 December 2018, 7 January 2019 and 10 January 2019, and the Company's circular dated 11 February 2019 for further details.
- (2) Assuming the completion of the issuance of 14,000,000 Consideration Shares to Ms Ang Siew Kiock in connection with the Proposed Acquisition. Shareholders may wish to refer to the Company's announcement dated 17 December 2018, and the Company's circular dated 11 February 2019 for further details.
- (3) Assuming the Company draws down an aggregate of RMB 68,000,000 (or S\$13,600,000) facilities extended by the Lenders pursuant to the Convertible Loan and that such Lenders exercised their conversion rights in respect of the entire sum of RMB 68,000,000 (or S\$13,600,000) under the Convertible Loan. As set out in the Company's announcement on the Convertible Loan dated 17 December 2018 and the Company's circular dated 11 February 2019, the maximum number of Shares that may be issued pursuant to the Lenders' exercise of their conversion right under the Convertible Loan is 93,688,888 Shares (or 46,844,444 Shares to each Lender). Shareholders may wish to refer to the Company's announcement on the Convertible Loan dated 17 December 2018 and the Company's circular dated 11 February 2019 for further details.
- (4) Assuming the completion of the issuance of 50,000,000 Introducer Warrants to the Introducer and that Introducer exercises all of the Introducer Warrants resulting in the issuance of 50,000,000 Introducer Warrant Shares. Shareholders may wish to refer to the Company's announcements on the Second Tranche Marvel Placement and the Convertible Loan dated 17 December 2018 and the Company's circular dated 11 February 2019 for further details.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. PLEASE REFER TO THE FOLLOWING PAGES FOR SUBSEQUENT SECTIONS OF THE ANNOUNCEMENT. ]**

## 11. ADDITIONAL LISTING APPLICATION

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

## 12. OBLIGATION TO MAKE A MANDATORY OFFER UNDER RULE 14 OF THE CODE

Pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), except with the consent of the Securities Industry Council (the "**SIC**"), where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares (the "**Mandatory Offer**"). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend a Mandatory Offer.

As at the date of this announcement, Mr Pang holds 98,190,000 Shares, representing approximately 69.96% of the existing issued and paid-up share capital of the Company. Assuming that there is no change in Mr Pang's shareholding interests in the Company, as Mr Pang holds more than 50.0% of the Shares in the Company, the issuance of any of the Conversion Shares will not trigger an obligation on Mr Pang to extend a Mandatory Offer under Rule 14 of the Code.

In this regard, Shareholders should note that Mr Pang's shareholding in the Company may be diluted to below 50.0% in the event of (i) the issuance of such Shares pursuant to the Lenders' exercise of their conversion right in respect of *all* of the Convertible Loan (such Shares hereinafter referred to as the "**Lenders' Conversion Shares**"), or (ii) the issuance of the Lenders' Conversion Shares and such Shares (such Shares hereinafter referred to as the "**Introducer Warrant Shares**") pursuant to the Introducer's exercise of *all* the Introducer Warrants at the agreed exercise price (each event, a "**Trigger Event**"). However, as at the date of this announcement:

- (a) the Company has not drawn down on any part of the Convertible Loan (which has a maturity period of 3 years); and
- (b) none of the Introducer Warrants have been issued to the Introducer,

as the Company is in the in process of seeking the relevant approval(s) from the SGX-ST for the listing and quotation of the Lenders' Conversion Shares and Introducer Warrant Shares. Shareholders should note that the drawdown of the Convertible Loan and issuance of the Introducer Warrants are conditional on, among others, the approval in-principle for the listing of and quotation for the Lenders' Conversion Shares and Introducer Warrant Shares having been obtained from the SGX-ST. As the Convertible Loan has a maturity period of 3 years, the

Company is of the view that it is unlikely that any of the Trigger Events will occur on or around the time of issuance of the Conversion Shares. Shareholders may wish to refer to Appendix C of the Company's circular dated 11 February 2019 for further information on the effect of, among others, the Convertible Loan, the Second Tranche Marvel Placement and the issuance of the Introducer Warrant Shares on the shareholdings in the Company.

Meanwhile, Shareholders should note that in respect of the Warrant Shares to be issued upon exercise of the Warrants, as the Warrants may or may not be exercised immediately or shortly after obtaining the relevant Shareholders' approval at the EGM, the Warrant Shares may be issued at such times where the shareholding of Mr Pang (together with persons acting in concert with him) (collectively, the "**Concert Party Group**") may be less than 50.0%.

Pursuant to Note 10 of Rule 14.1 of the Code, in general, Mr Pang's subscription of the Warrants does not give rise to an obligation under Rule 14.1 to make an offer. However, the exercise of the subscription rights pursuant to the Warrants will be considered to be an acquisition of voting rights for the purpose of the Rule. Accordingly, in the event that:

- (a) the Warrant Shares are to be issued to Mr Pang pursuant to his exercise of any of the Warrants in accordance with the terms and conditions set out in the Deed Poll; and
- (b) the Concert Party Group holds not less than 30.0% but not more than 50.0% of the Shares at such time that such Warrant Shares are to be issued to Mr Pang,

the following will apply:

- (i) an application will be made to the SIC for a waiver of the obligations of the Concert Party Group to make a Mandatory Offer under Rule 14 of the Code as a result of the issuance of the Warrant Shares; and
- (ii) the Company will convene an EGM to obtain Shareholders' approval for a waiver of their rights to receive a mandatory general offer from the Concert Party Group pursuant to Rule 14 of the Code arising from the issuance and allotment of any of the Warrant Shares to Mr Pang pursuant to his exercise of the Warrants.

The Company will make the relevant announcement(s) in respect of the foregoing at the relevant juncture(s).

### **13. 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 date of the announcement and the effect of the Proposed Transactions on the shareholding structure of the Company is set out in **Appendix A (Changes in Shareholding Interests)** enclosed herein.

Save for their respective shareholding interests in the Company (if any) and save for Mr Pang being a Director and controlling Shareholder, 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 Transactions.

### **14. CIRCULAR TO SHAREHOLDERS**

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

#### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

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

#### **16. TRADING CAUTION**

**Shareholders are advised to exercise caution in trading their Shares. The Proposed Transactions are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Transactions will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

#### **17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Deed are available for inspection at the Company's registered office at 8 Loyang Way 4 Singapore 507604 during normal business hours for a period of three (3) months commencing from the date of this announcement.

#### **By Order of the Board**

Lead Independent Director  
Lee Dah Khang

7 March 2019

---

This announcement has been prepared by GS Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

contained in this announcement.

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

## Appendix A (Changes in Shareholding Interests)

**SCENARIO A:** For illustrative purposes only and based on the bases and assumptions set out below, the shareholding structure of the Company as at the date of this announcement and upon completion of the Proposed Transactions, assuming Shareholders' approval is obtained for the 2019 Amendment Resolution, is set out below.

	As at the date of this announcement		Assuming issuance of Conversion Shares only		Assuming issuance of Conversion Shares, and (ii) completion of the Proposed Acquisition		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, and (iii) completion of Second Tranche Marvel Placement		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, and (iv) issuance and exercise of Warrants		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of conversion rights by the Lenders		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of warrants by the Introducer		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, (v) exercise of conversion rights by the Lenders, and (vi) exercise of warrants by the Introducer	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>	No. of Shares	% <sup>(4)</sup>	No. of Shares	% <sup>(5)</sup>	No. of Shares	% <sup>(6)</sup>	No. of Shares	% <sup>(7)</sup>	No. of Shares	% <sup>(8)</sup>
<b>Directors</b>																
<b>Pang Pok <sup>(9)</sup></b>	98,190,000	69.96	109,954,705	72.28	123,954,705	74.62	123,954,705	67.09	135,719,410	69.06	135,719,410	46.76	135,719,410	55.05	135,719,410	39.90
<b>Lee Dah Khang</b>	42,000	0.03	42,000	0.03	42,000	0.03	42,000	0.02	42,000	0.02	42,000	0.01	42,000	0.02	42,000	0.01
<b>Chow Kek Tong</b>	42,000	0.03	42,000	0.03	42,000	0.03	42,000	0.02	42,000	0.02	42,000	0.01	42,000	0.02	42,000	0.01
<b>Chong Eng Wee</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Liu Changsheng</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Substantial / Other Shareholders</b>																
<b>Marvel Earn Limited</b>	6,900,000	4.92	6,900,000	4.54	6,900,000	4.15	25,555,555	13.83	25,555,555	13.00	25,555,555	8.81	25,555,555	10.37	25,555,555	7.51
<b>Green Valley<sup>(10)</sup></b>	-	-	-	-	-	-	-	-	-	-	46,844,444	16.14	-	-	46,844,444	13.77
<b>Yue Da<sup>(11)</sup></b>	-	-	-	-	-	-	-	-	-	-	46,844,444	16.14	-	-	46,844,444	13.77

	As at the date of this announcement		Assuming issuance of Conversion Shares only		Assuming issuance of Conversion Shares, and (ii) completion of the Proposed Acquisition		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, and (iii) completion of Second Tranche Marvel Placement		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, and (iv) issuance and exercise of Warrants		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of conversion rights by the Lenders		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of warrants by the Introducer		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, (v) exercise of conversion rights by the Lenders, and (vi) exercise of warrants by the Introducer	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>	No. of Shares	% <sup>(4)</sup>	No. of Shares	% <sup>(5)</sup>	No. of Shares	% <sup>(6)</sup>	No. of Shares	% <sup>(7)</sup>	No. of Shares	% <sup>(8)</sup>
Alto Vencap <sup>(12)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	50,000,000	20.28	50,000,000	14.70

**Notes:**

- (1) Based on the issued and paid-up share capital of the Company of 140,348,000 Shares as at the date of this announcement.
- (2) Based on the enlarged share capital of the Company of 152,112,705 Shares, after the issuance and allotment of 11,764,705 Conversion Shares.
- (3) Based on the enlarged share capital of the Company of 166,112,705 Shares, after the issuance and allotment of (i) 11,764,705 Conversion Shares, and (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition.
- (4) Based on the enlarged share capital of the Company of 184,768,260 Shares, after the issuance and allotment of (i) 11,764,705 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, and (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement.
- (5) Based on the enlarged share capital of the Company of 196,532,965 Shares, after the issuance and allotment of (i) 11,764,705 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, and (iv) 11,764,705 Warrant Shares pursuant to Mr Pang's exercise of all 11,764,705 Warrants at the Exercise Price.
- (6) Based on the enlarged share capital of the Company of 290,221,853 Shares, after the issuance and allotment of (i) 11,764,705 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, (iv) 11,764,705 Warrant Shares pursuant to Mr Pang's exercise of all 11,764,705 Warrants at the Exercise Price, and (v) 93,688,888 Shares pursuant to the exercise of the conversion right by the Lenders under the Convertible Loan (such number of Shares being the maximum number of conversion Shares to be issued based on the assumptions set out in the Company's circular dated 11 February 2019).
- (7) Based on the enlarged share capital of the Company of 246,532,965 Shares, after the issuance and allotment of (i) 11,764,705 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, (iv) 11,764,705 Warrant Shares pursuant to Mr Pang's exercise of all 11,764,705 Warrants at the Exercise Price, and (v) 50,000,000 Shares pursuant to the Introducer's exercise of all 50,000,000 Introducer Warrants.

- (8) Based on the enlarged share capital of the Company of 340,221,853 Shares, after the issuance and allotment of (i) 11,764,705 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, (iv) 11,764,705 Warrant Shares pursuant to Mr Pang's exercise of all 11,764,705 Warrants at the Exercise Price, (v) 93,688,888 Shares pursuant to the exercise of the conversion right by the Lenders under the Convertible Loan (such number of Shares being the maximum number of conversion Shares to be issued based on the assumptions set out in the Company's circular dated 11 February 2019, and (vi) 50,000,000 Shares pursuant to the Introducer's exercise of all 50,000,000 Introducer Warrants.
- (9) The shareholdings of Mr Pang include such Shares held by his spouse, Ms Ang Siew Kiock as Mr Pang will be deemed to be interested in the Shares held by his spouse, Ms Ang Siew Kiock. Pursuant to the Proposed Acquisition, 14,000,000 Consideration Shares will be issued to Ms Ang Siew Kiock (being the vendor to the Proposed Acquisition). Accordingly, Mr Pang will be deemed to be interested in the 14,000,000 Consideration Shares to be issued and allotted to Ms Ang Siew Kiock pursuant to the completion of the Proposed Acquisition.
- (10) Being Guangzhou Green Valley Ecological Environment Co. Ltd., one of the Lenders.
- (11) Being Guangzhou Yue Da Environmental Technology Development Co. Ltd., one of the Lenders.
- (12) Being Alto Vencap Pte. Ltd., the Introducer.

**SCENARIO B:** For illustrative purposes only and based on the bases and assumptions set out below, the shareholding structure of the Company as at the date of this announcement and upon completion of the Proposed Transactions, assuming Shareholders' approval is not obtained for the 2019 Amendment Resolution, is set out below.

	As at the date of this announcement		Assuming issuance of Conversion Shares only		Assuming issuance of Conversion Shares, and (ii) completion of the Proposed Acquisition		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, and (iii) completion of Second Tranche Marvel Placement		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, and (iv) issuance and exercise of Warrants		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of conversion rights by the Lenders		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of warrants by the Introducer		Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, (v) exercise of conversion rights by the Lenders, and (vi) exercise of warrants by the Introducer	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>	No. of Shares	% <sup>(4)</sup>	No. of Shares	% <sup>(5)</sup>	No. of Shares	% <sup>(6)</sup>	No. of Shares	% <sup>(7)</sup>	No. of Shares	% <sup>(8)</sup>
<b>Directors</b>																
<b>Pang Pok <sup>(9)</sup></b>	98,190,000	69.96	102,111,568	70.78	116,111,568	73.36	116,111,568	65.63	120,033,136	66.37	120,033,136	43.72	120,033,136	52.00	120,033,136	36.99
<b>Lee Dah Khang</b>	42,000	0.03	42,000	0.03	42,000	0.03	42,000	0.02	42,000	0.02	42,000	0.02	42,000	0.02	42,000	0.01
<b>Chow Kek Tong</b>	42,000	0.03	42,000	0.03	42,000	0.03	42,000	0.02	42,000	0.02	42,000	0.02	42,000	0.02	42,000	0.01
<b>Chong Eng Wee</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Liu Changsheng</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Substantial / Other Shareholders</b>																
<b>Marvel Earn Limited</b>	6,900,000	4.92	6,900,000	4.78	6,900,000	4.36	25,555,555	14.44	25,555,555	14.13	25,555,555	9.31	25,555,555	11.07	25,555,555	7.87
<b>Green Valley<sup>(10)</sup></b>	-	-	-	-	-	-	-	-	-	-	46,844,444	17.06	-	-	46,844,444	14.43
<b>Yue Da<sup>(11)</sup></b>	-	-	-	-	-	-	-	-	-	-	46,844,444	17.06	-	-	46,844,444	14.43

	As at the date of this announcement		Assuming issuance of Conversion Shares only		Assuming issuance of Conversion Shares, and (ii) completion of the Proposed Acquisition		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, and (iii) completion of Second Tranche Marvel Placement		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, and (iv) issuance and exercise of Warrants		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of conversion rights by the Lenders		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, and (v) exercise of warrants by the Introducer		(i) Assuming issuance of Conversion Shares, (ii) completion of the Proposed Acquisition, (iii) completion of Second Tranche Marvel Placement, (iv) issuance and exercise of Warrants, (v) exercise of conversion rights by the Lenders, and (vi) exercise of warrants by the Introducer	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>	No. of Shares	% <sup>(4)</sup>	No. of Shares	% <sup>(5)</sup>	No. of Shares	% <sup>(6)</sup>	No. of Shares	% <sup>(7)</sup>	No. of Shares	% <sup>(8)</sup>
Alto Vencap <sup>(12)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	50,000,000	21.66	50,000,000	15.41

**Notes:**

- (1) Based on the issued and paid-up share capital of the Company of 140,348,000 Shares as at the date of this announcement.
- (2) Based on the enlarged share capital of the Company of 144,269,568 Shares, after the issuance and allotment of 3,921,568 Conversion Shares.
- (3) Based on the enlarged share capital of the Company of 158,269,568 Shares, after the issuance and allotment of (i) 3,921,568 Conversion Shares, and (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition.
- (4) Based on the enlarged share capital of the Company of 176,925,123 Shares, after the issuance and allotment of (i) 3,921,568 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, and (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement.
- (5) Based on the enlarged share capital of the Company of 180,846,691 Shares, after the issuance and allotment of (i) 3,921,568 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, and (iv) 3,921,568 Warrant Shares pursuant to Mr Pang's exercise of all 3,921,568 Warrants at the Exercise Price.
- (6) Based on the enlarged share capital of the Company of 274,535,579 Shares, after the issuance and allotment of (i) 3,921,568 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, (iv) 3,921,568 Warrant Shares pursuant to Mr Pang's exercise of all 3,921,568 Warrants at the Exercise Price, and (v) 93,688,888 Shares pursuant to the exercise of the conversion right by the Lenders under the Convertible Loan (such number of Shares being the maximum number of conversion Shares to be issued based on the assumptions set out in the Company's circular dated 11 February 2019).
- (7) Based on the enlarged share capital of the Company of 230,846,691 Shares, after the issuance and allotment of (i) 3,921,568 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, (iv) 3,921,568 Warrant Shares pursuant to Mr Pang's exercise of all 3,921,568 Warrants at the Exercise Price, and (v) 50,000,000 Shares pursuant to the Introducer's exercise of all 50,000,000 Introducer Warrants.

- (8) Based on the enlarged share capital of the Company of 324,535,579 Shares, after the issuance and allotment of (i) 3,921,568 Conversion Shares, (ii) 14,000,000 Consideration Shares pursuant to the completion of the Proposed Acquisition, (iii) 18,655,555 Shares pursuant to the Second Tranche Marvel Placement, (iv) 3,921,568 Warrant Shares pursuant to Mr Pang's exercise of all 3,921,568 Warrants at the Exercise Price, (v) 93,688,888 Shares pursuant to the exercise of the conversion right by the Lenders under the Convertible Loan (such number of Shares being the maximum number of conversion Shares to be issued based on the assumptions set out in the Company's circular dated 11 February 2019, and (vi) 50,000,000 Shares pursuant to the Introducer's exercise of all 50,000,000 Introducer Warrants.
- (9) The shareholdings of Mr Pang include such Shares held by his spouse, Ms Ang Siew Kiock as Mr Pang will be deemed to be interested in the Shares held by his spouse, Ms Ang Siew Kiock. Pursuant to the Proposed Acquisition, 14,000,000 Consideration Shares will be issued to Ms Ang Siew Kiock (being the vendor to the Proposed Acquisition). Accordingly, Mr Pang will be deemed to be interested in the 14,000,000 Consideration Shares to be issued and allotted to Ms Ang Siew Kiock pursuant to the completion of the Proposed Acquisition.
- (10) Being Guangzhou Green Valley Ecological Environment Co. Ltd., one of the Lenders.
- (11) Being Guangzhou Yue Da Environmental Technology Development Co. Ltd., one of the Lenders.
- (12) Being Alto Vencap Pte. Ltd., the Introducer.