

TERMINATION OF JOINT VENTURE AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” and each a “**Group Company**”) refers to the Company’s announcement dated 1 November 2021 (the “**JVA Announcement**”) in respect of the joint venture agreement entered into by the Company’s indirect wholly owned subsidiary, Hao Kou Wei Pte. Ltd. (“**HKW**”) and Focaccia Foods Pte. Ltd. (the “**JV Partner**”).

Unless otherwise defined herein, all capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the JVA Announcement.

2. TERMINATION OF THE JOINT VENTURE AGREEMENT

- 2.1. The Company would like to update shareholders that HKW and the JV Partner have mutually decided to terminate the joint venture agreement signed on 1 November 2021 (the “**JVA**”) due to commercial reasons, particularly the poor performance of the JV Company. Accordingly, HKW has, on 17 March 2023, entered into a Joint Venture Termination Term Sheet (the “**Termination Agreement**”) with the JV Partner (the “**Termination**”).
- 2.2. Pursuant to the Termination, neither HKW nor the JV Partner shall have any claims against the other party with respect to the JVA.
- 2.3. As previously announced in the JVA Announcement, pursuant to the terms of the JVA, the issued and paid-up share capital of the JV Company was increased to S\$100,000 comprising 100,000 ordinary shares and is currently held by HKW and the JV Partner in equal shareholding proportion. The operations of the JV Company are currently jointly managed by HKW and the JV Partner. Based on the unaudited financial statements of the JV Company for the financial period ended 28 February 2023, the JV Company has a net loss of approximately S\$1,400, mainly due to the provision for professional fees. The JV Company does not presently have any operations since the close of its last food stall sometime on or around June 2022.
- 2.4. Immediately following the Termination, the JV Partner shall procure the resignation of the director in the JV Company appointed by the JV Partner and transfer all 50,000 ordinary shares (the “**Sale Shares**”) held by the JV Partner in the JV Company to HKW for a consideration of S\$21,223 (the “**Proposed Acquisition**”), in accordance with the Termination Agreement. Following the completion of the Proposed Acquisition, the JV Company will become a wholly owned subsidiary of HKW and will be managed entirely by the management of HKW.

3. CONSIDERATION FOR THE PROPOSED ACQUISITION

- 3.1. The consideration was arrived at after arm’s length negotiations and on a willing-buyer willing-seller basis based on the unaudited net asset value of the JV Company of S\$42,446 as at 28 February 2023.
- 3.2. The consideration is payable in cash upon completion of the transfer of the Sale Shares from the JV Partner to HKW and shall be funded by internal resources of the Group. The net asset value attributable to the Sale Shares as at 28 February 2023 is approximately S\$21,223. The Termination and Proposed Acquisition are not expected to have any material financial impact

on the consolidated earnings per share and consolidated net tangible assets per share of the Group for the current financial year ending 31 December 2023.

4. RATIONALE FOR THE PROPOSED ACQUISITION

As announced by the Company in the JVA Announcement, the JV Company was wholly owned by HKW prior to its entry into the JVA. Although the JV Company has been loss making, the Proposed Acquisition will allow HKW to have full business ownership and control of the JV Company to facilitate, among others, the potential injection of new business(es) into the JV Company and implementation of future business plan(s) which may potentially enhance the value of the JV Company.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

5.1. As the relative figures computed pursuant to Rule 1006 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited amounts to 5% or less, the Proposed Acquisition is deemed to be a non-discloseable transaction under Rule 1008(1) of the Catalist Rules. Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A (Acquisitions and Realisations) of the Catalist Rules (“**Practice Note 10A**”). In respect of the Proposed Acquisition, as the transaction involves the acquisition of a loss-making asset by the Group (being loss-making), the relative figure computed pursuant to Rule 1006(b) involves negative figures.

5.2. Having regard to the above:

- (a) as the absolute relative figure computed on the basis of Rule 1006(c) amounts to 5% or less; and
- (b) the net loss attributable to the asset to be acquired amounts to 5% or less of the consolidated net loss of the Company (taking into account only the absolute values) (i.e. absolute relative figure computed pursuant to Rule 1006(b) amounts to 5% or less),

the Proposed Acquisition falls within the situation of paragraph 4.3(a) of Practice Note 10A and no announcement and shareholders’ approval of the transaction is required. However, the Company is making this announcement pursuant to Rule 703 and has therefore included the information required under Rule 1008(2) in accordance with paragraph 4.3 of Practice Note 10A.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company, none of the directors or substantial shareholders of the Company or their associates, as far as the Company is aware, has any direct or indirect interest in the above transaction.

7. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants and other professional advisers.

By Order of the Board

Pang Pok
Chief Executive Officer and Executive Director

20 March 2023

*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 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.