



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

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF OCTOPUS DISTRIBUTION NETWORKS PTE. LTD.

1. INTRODUCTION

- 1.1. The board of directors ("**Board**" or "**Directors**") of GS Holdings Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to its announcement dated 20 September 2024 and wishes to inform shareholders of the Company ("**Shareholders**") that the Company, has on 23 October 2024 entered into a sale and purchase agreement ("**Agreement**") with Octopus Global Hldgs Pte. Ltd. ("**Vendor**") (the Company and the Vendor collectively referred to as the "**Parties**") to acquire all the shares representing the entire issued and fully paid-up capital of Octopus Distribution Networks Pte. Ltd. ("**Target**") from the Vendor for an aggregate purchase consideration of S\$11.8 million ("**Purchase Consideration**"), on the terms and subject to the conditions of the Agreement ("**Proposed Acquisition**").
- 1.2. Concurrently with the allotment and issuance of Consideration Shares (as defined below) by the Company at completion of the Proposed Acquisition ("**Completion**") and subject to Completion, the Company will also allot and issue:
- (a) 14,567,901 new shares in the capital of the Company ("**Shares**") ("**Introducer Shares**") at S\$0.0243 per Share ("**Introducer Issue Price**"), credited as fully-paid up, to Accura Advisory Pte. Ltd. ("**Introducer**") for the Introducer Services (as defined below), and
 - (b) 652,173 new Shares at S\$0.023 per Share ("**Sponsor Issue Price**") and 395,778 new Shares at the Issue Price (as defined below) (collectively, "**Sponsor Shares**"), credited as fully-paid up, to the Sponsor (as defined below), in part-payment for the Sponsor's professional fees.

Further details on the allotment and issuance of Introducer Shares and Sponsor Shares are set out in paragraph 5 below. For the avoidance of doubt, the allotment and issuance of the Introducer Shares and Sponsor Shares will be contingent on Completion.

- 1.3. The Company will be convening an extraordinary general meeting ("**EGM**") to seek the relevant approvals from Shareholders for the Proposed Acquisition, allotment and issuance of Consideration Shares, Introducer Shares, Sponsor Shares and the Proposed Appointment of New Director (as defined below). Further information on, *inter alia*, the Proposed Acquisition, the independent valuer appointed, together with the Valuation Report (as defined below) will be provided in a circular to be issued by the Company to Shareholders in due course ("**Circular**").

2. INFORMATION ON THE TARGET AND VENDOR

2.1. Target and Business

The Target is a private company limited by shares, incorporated on 4 March 2011 in Singapore, with an issued and fully paid-up capital of S\$1.0 million comprising 1,000,000 ordinary shares ("**Sale Shares**"). The Target is one of the leading integrated beverage solutions groups in Singapore, and is principally engaged in the business of wholesale trade of a variety of food

and beverages goods, specialising in the import, distribution and marketing of beverages in Southeast Asia, with an extensive portfolio representing local and international brands that have a well-known provenance, heritage and history and resonate with all trade and consumer sectors, from high end cocktail bars to local retailers ("**Business**"). For beverage brand owners, the Target has become a trusted partner and a preferred beverage distributor in Singapore with a comprehensive distribution network comprising strategic distribution centres and third-party wholesalers in Singapore. With a deep understanding of the Singapore market, the Target also provides other value-added services, including market expansion strategies and customer engagement solutions, that aims to enable brand owners to quickly build brand loyalty and market share in Singapore.

As at the date of this announcement ("**Announcement**"), the Target has a wholly-owned subsidiary, Global Spirits Ventures Pte. Ltd. ("**GSV**"). Upon Completion, the Target will become a wholly-owned subsidiary of the Company and GSV will become an indirect wholly-owned subsidiary of the Company.

Based on the latest unaudited financial statements for 30 June 2024 of the Target, as at 30 June 2024, the book value and net tangible assets ("**NTA**") of the Sale Shares is S\$8,780,174. Shareholders should note that there is no open market for the Sale Shares as they are not publicly traded.

2.2. Vendor

The Vendor is a private company limited by shares, incorporated on 5 September 2017 in Singapore. It is a holding company and the sole shareholder of the Target. As at the date of this Announcement, the Vendor does not hold any shares in the Company. The Vendor was introduced to the Company by the Introducer.

The Vendor and its director, shareholder, and the Vendor's ultimate beneficial owner, Teh Chooi Peng ("**TCP**") have confirmed that it/she does not fall within the categories of persons set out under Rule 812(1)(a) to (d) of the Catalist Rules. The Vendor and its director, shareholder and TCP have further confirmed that save for TCP being acquainted with the director and shareholder of ZTS Holdings Pte. Ltd. from prior business transactions with third parties unrelated to the Proposed Acquisition, the Vendor and its director, shareholder and TCP have no connections (including any business relationship) with the Company and its Directors and substantial shareholders.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1. Sale and Purchase

Pursuant to the terms and subject to the conditions of the Agreement, the Vendor shall sell to the Company and the Company shall purchase from the Vendor, all of the Sale Shares, representing the Target's entire issued share capital together with all rights, benefits and entitlements attaching or accruing thereto (including, without limitation, the rights to any dividends or other distributions declared or payable thereon) as at Completion, free from all encumbrances, in exchange for the Purchase Consideration.

3.2. Purchase Consideration

Pursuant to the Agreement, the Purchase Consideration is to be fully satisfied by the Company in the following manner:

- (a) upon execution of the Agreement, the Company has paid the Vendor an amount of S\$2.0 million in cash as earnest money ("**Refundable Deposit**"). The Parties expressly agreed that (i.) the Refundable Deposit shall be repaid in full, without any interest and charges accrued, by the Vendor to the Company forthwith in clear and immediately available funds, in the event the Proposed Acquisition is not completed for any reason without prejudice to the Parties' respective rights under the Agreement, (ii.) the Vendor's obligation to repay the Refundable Deposit to the Company shall be secured

by a personal guarantee furnished by TCP, and (iii.) the Company's right to repayment of the Refundable Deposit will continue to bind the Parties with full force and effect without limited in time;

- (b) on Completion, the allotment and issuance of an aggregate 166,226,912 new Shares ("**Consideration Shares**") by the Company to the Vendor at the Issue Price, amounting to S\$6.3 million, credited as fully paid, free of encumbrance, ranking *pari passu* with the Company's then existing issued Shares, and approved by the SGX-ST to be listed and quoted on Catalist of the SGX-ST ("**Catalist**");
- (c) on Completion, S\$3.50 million in cash ("**Cash Consideration**").

The Purchase Consideration for the Proposed Acquisition was determined by agreement between the Parties at arms' length, on a "willing-buyer, willing seller" basis, and on the basis that the Appraised Value (as defined below) being in the range of S\$8.81 million to S\$13.28 million.

3.3. Valuation

For the purposes of the Proposed Acquisition, the Company have, in consultation with the Sponsor, commissioned FMMH Corporate Advisory Sdn Bhd ("**Independent Valuer**") to do a valuation of the Target and the Business ("**Appraised Value**"). Based on discussions with the Independent Valuer, the indicative Appraised Value based on income approach with reference to the market approach is in the range of S\$8.81 million to S\$13.28 million as at 30 September 2024.

Shareholders should note that the final Appraised Value is subject to the Independent Valuer finalising its valuation report ("**Valuation Report**"). Details of the Appraised Value will be set out in the Valuation Report, which will be a document for inspection with its summary provided in the Circular.

3.4. Issue Price

The issue price per Consideration Share shall be S\$0.0379 ("**Issue Price**"), based on the average daily volume weighted average price ("**VWAP**") for the thirty (30) consecutive trading days immediately preceding the date of the Agreement, being 22 October 2024.

The Issue Price of S\$0.0379 per Consideration Share represents a discount of 21.69% to the VWAP of S\$0.0484 per Share for trades done on the SGX-ST on 22 October 2024, being the full market day on which Shares were traded immediately preceding the date of the Agreement.

The Issue Price was commercially agreed between the Parties after arm's length negotiations and taking into account historical trading performance of the Company and prevailing market conditions.

3.5. Conditions Precedent

Completion of the Proposed Acquisition shall be subject to and conditional upon the fulfilment and satisfaction (or waiver in accordance with the terms of the Agreement) of certain conditions precedent (set out in their entirety in the Agreement), which include, *inter alia*, those set out in **Appendix A** to this Announcement. Completion is expected to take place within the time frame prescribed under the Agreement which shall be the date falling ten (10) business days after the satisfaction of the conditions precedent or such other date as the Parties may agree in writing, but in every case, not later than the Long-Stop Date ("**Conditions Precedent**").

3.6. Long-Stop Date

If all of the Conditions Precedent under the Agreement (save for those which have been waived in accordance with the terms of the Agreement) have not been fulfilled before 28 February 2025, the Agreement shall, ipso facto, cease and determine and the Parties shall be released

and discharged from their respective obligations and liabilities under the Agreement, save in respect of *inter alia* (a) any claim by a Party against the other for costs, damages, compensation or otherwise arising from any accrued liabilities, antecedent and/or existing breaches of the terms thereof, and (b) the respective obligations, covenants or undertakings which, pursuant to the terms of the Agreement, are expressed to survive such termination, which shall continue in full force and effect to bind the Parties in the manner so expressed.

3.7. Source of Funds

The Refundable Deposit, Cash Consideration and all other costs and expenses incurred or to be incurred in connection with the Proposed Acquisition will be funded through the Company's internal resources.

3.8. Other Salient Terms of the Agreement.

- (a) Changes to the Board. Subject to Completion, the Company shall procure the appointment of one (1) nominee of the Vendor as a director of the Company subject to his qualification under the Companies Act 1967 of Singapore ("**Act**") and clearance by the Company's Nominating Committee, the Sponsor, and where applicable, the relevant regulator(s) ("**Proposed Appointment of New Director**"). The Vendor's nominee will enter into a service agreement with the Company on terms acceptable to the Parties ("**Service Agreement**").
- (b) Changes to Target's Board. Subject to Completion, the Vendor shall procure the appointment of one (1) nominee of the Company as a director of the Target subject to his qualification under the Act.
- (c) Change of Existing Guarantors of the Target. Subject to Completion, the Parties shall, where applicable and within twelve (12) months from the date of Completion ("**Completion Date**"), make reasonable efforts to the extent practicable, and subject to agreement of the relevant bank counterparties, procure that the existing personal and corporate guarantors of all banking facilities to which the Target and/or GSV are borrowers, be replaced and substituted with the Company, and pending such replacement and substitution, the Company shall indemnify such personal and corporate guarantors from their respective obligations under all such banking facilities, from the Completion Date.
- (d) Representations and Warranties. Pursuant to the Agreement, the Parties have, respectively, furnished representations and warranties typical for transactions such as the Proposed Acquisition ("**Warranties**").

4. RATIONALE FOR THE PROPOSED ACQUISITION

- 4.1. The Proposed Acquisition is part of the Group's corporate strategy to diversify and expand into complementary business areas within the food and beverage industry. Through the Proposed Acquisition, the Company will be able to acquire a new operating business that is synergistic to the Group's business model, and provide the Group with immediate access to a new customer base and operating scale within the beverage sector in Singapore's F&B industry, allowing the Group to diversify and increase its revenue streams and improve profitability. The Board believes that the Proposed Acquisition will yield significant opportunities and has the potential to enhance Shareholders' value in the Company and contribute positively to the growth, financial position and long-term prospects of the Group.
- 4.2. The partial satisfaction of the Purchase Consideration by way of the allotment and issuance of the Consideration Shares will also reduce the cash outlay to be incurred by the Company in relation to the Proposed Acquisition, thereby allowing the Group to conserve its cash to be utilised for other purposes such as its working capital and for other investment opportunities.
- 4.3. In view of the above, the Board is of the view that the Proposed Acquisition is in the best interest of the Company and the Shareholders.

5. ALLOTMENT AND ISSUANCE OF INTRODUCER SHARES AND SPONSOR SHARES

5.1. Introducer

The Introducer is a company incorporated under the laws of the Republic of Singapore and in the business of providing management consultancy and other business services. Pursuant to an agreement between the Company and the Introducer dated 22 January 2024 (“**Introducer Agreement**”), the Introducer shall be entitled to an introducer fee of 3.0% of the Purchase Consideration on a success basis for procuring the Target as a suitable acquisition target for the Company (“**Introducer Services**”), which shall be satisfied through the allotment and issuance of the Introducer Shares at the Introducer Issue Price.

As agreed between the Company and the Introducer and in accordance with the terms of the Introducer Agreement, the Introducer Issue Price is based on 90% of the 1-day VWAP per Share at the close of market trading of the Shares on SGX-ST on 23 January 2024, being the last full market day prior to the date on which the convertible loan agreement between Eliza Investment Pte. Ltd. and the Company was signed on which Shares were traded, further details of which are set out in the Company’s announcement of 26 January 2024.

The Introducer Shares, when allotted and issued, will be credited as fully-paid, free and clear of all encumbrances and will rank *pari passu* with all existing Shares, save that they do not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date of which falls on or before the date of issue of the Consideration Shares, Introducer Shares and Sponsor Shares.

As at the date of this Announcement, the Introducer holds 5,555,553 Shares, representing 0.65% of the Company’s existing share capital. The Introducer and its sole director and shareholder has confirmed that it/he does not fall within the categories of persons set out under Rule 812(1)(a) to (d) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). The Introducer and its sole director and shareholder has further confirmed that save for the Introducer Services and previous introductory services to the Company, further details of which are set out in the Company’s circular to Shareholders dated 23 July 2024, it has no connections (including business relationship) with the Company and its Directors and substantial shareholders.

5.2. Sponsor

Evolve Capital Advisory Private Limited, the Company’s continuing Catalist sponsor (“**Sponsor**”) is a company incorporated under the laws of the Republic of Singapore. The Sponsor is a capital markets services licensee for dealing in capital markets products and advising on corporate finance and is authorised as a full sponsor by the SGX-ST. The Company and the Sponsor had on 15 May 2024 entered into an agreement (“**Sponsor Agreement**”) for the Sponsor to act as the Company’s financial advisor and sponsor for *inter alia*, the Company’s previous rights issue completed on 8 October 2024 and the Proposed Acquisition (“**Professional Services**”).

As agreed between the Company and the Sponsor and in accordance with the terms of the Sponsor Agreement, part of the professional fees for the Professional Services rendered by the Sponsor, being an amount of S\$30,000, shall be satisfied by way of the allotment and issuance of 652,173 new Shares at the Sponsor Issue Price and 395,778 new Shares at the Issue Price.

The Sponsor Issue Price was commercially agreed between the Parties after arm’s length negotiations and taking into account the historical trading performance of the Company and prevailing market conditions.

The Sponsor Shares, when allotted and issued, will be credited as fully-paid, free and clear of all encumbrances and will rank *pari passu* with all existing Shares, save that they do not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date

of which falls on or before the date of issue of the Consideration Shares, Introducer Shares and Sponsor Shares.

As at the date of this Announcement, the Sponsor does not hold any Shares. The Sponsor and its directors and shareholders have confirmed that it/he does not fall within the categories of persons set out under Rule 812(1)(a) to (d) of the Catalist Rules. The Sponsor and its directors and shareholders have further confirmed that save as disclosed above, it has no connections (including business relationship) with the Company and its Directors and substantial shareholders.

6. SHAREHOLDING EFFECTS

- 6.1. It is envisaged that upon Completion and the allotment and issuance of the Consideration Shares, Introducer Shares and Sponsor Shares, the shareholding interest of the Vendor, Introducer, Sponsor and other existing Shareholders will be as follows:

Shareholder	Before the Proposed Acquisition		After the Proposed Acquisition	
	Shares	%	Shares	%
Vendor	-	-	166,226,912	16.01
Introducer	5,555,553	0.65%	20,123,454	1.94%
Sponsor	-	-	1,047,951	0.10%
Other existing Shareholders	850,777,509	99.35%	850,777,509	81.95%
Total	856,333,062	100.00%	1,038,175,826	100.00%

7. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

- 7.1. For the purposes of Chapter 10 of the Catalist Rules, the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition and based on the latest announced unaudited financial statements of the Group for the 6-month period ended 30 June 2024 and the unaudited financial statements of the Target for the 6-month period ended 30 June 2024 are as follows:

1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable to acquisition of assets.
1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	(151.69)% ⁽¹⁾
1006(c)	Aggregate value of the Purchase Consideration, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	32.68% ⁽²⁾
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	19.41% ⁽³⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable to the Proposed Acquisition.

Notes:

- (1) The net profits attributable to the Target for the 6-month period ended 30 June 2024 was approximately S\$810,000 and the Group's net loss for the 6-month period ended 30 June 2024 was approximately S\$534,000.
- (2) Based on (i.) the Purchase Consideration of S\$11.8 million to be fully satisfied by the Company by (a) the allotment and issuance of the Consideration Shares and (b) payment of the Refundable Deposit and Cash Consideration.

Rule 1003(3) of the Catalist Rules requires that, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. In this instance, the volume weighted average price of the Shares of S\$0.0484 traded on the SGX-ST on 22 October 2024 is higher than the NAV per Share of the Group of S\$(0.99) per Share (based on the latest unaudited financial statements of the Group as at 30 June 2024 of approximately S\$(2.16) million).

Therefore, the calculation of Purchase Consideration for the purpose of Catalist Rule 1006(c) shall be based on the aggregate of the Refundable Deposit, Cash Consideration, and the Consideration Shares multiplied by the VWAP of S\$0.0484 on 22 October 2024, being the last market day on which the Shares were traded on the SGX-ST preceding the date of the Agreement ie. $166,226,912 \times S\$0.0484 = S\$8,045,383 + S\$2,000,000 + S\$3,500,000$ and (ii.) the Company's entire issued and fully-paid share capital of 856,333,062 Shares and the volume weighted average Share price of S\$0.0484 on 22 October 2024, being the last market day on which the Shares were traded on the SGX-ST preceding the date of the Agreement.

- (3) Based on (i.) the proposed issuance and allotment of 166,226,912 Consideration Shares pursuant to the Proposed Acquisition; and (ii.) the existing fully-paid share capital of 856,333,062 Shares.

- 7.2. In accordance with Rule 1007(1) of the Catalist Rules, as the relative figure computed pursuant to Rule 1006(b) is a negative figure, the Company will consult the SGX-ST through its Sponsor on the treatment of the relative figure for Rule 1006(b). Notwithstanding the foregoing, the Company will, in any event, seek Shareholders' approval for the Proposed Acquisition at the EGM to be convened as, *inter alia*, it is seeking Shareholders' approval for the allotment and issuance of Consideration Shares in connection with the Proposed Acquisition.

8. AUTHORITY FOR THE ALLOTMENT AND ISSUANCE OF CONSIDERATION SHARES, INTRODUCER SHARES AND SPONSOR SHARES

8.1. Rule 803 of the Catalist Rules

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without the prior approval of shareholders in general meeting. Under the Catalist Rules, a controlling interest refers to the interest of a controlling shareholder, being a person who (a) holds directly or indirectly 15.0% or more of the voting Shares in the Company, or (b) in fact exercises control over the Company.

The Vendor will hold approximately 16.01% of the enlarged issued share capital of the Company upon Completion as a result of the allotment and issuance of the Consideration Shares, Introducer Shares and Sponsor Shares. Accordingly, Completion will result in the transfer of controlling interest in the Company pursuant to Rule 803 of the Catalist Rules.

8.2. Rule 811 of the Catalist Rules

Rule 811(1) of the Catalist Rules provides that an issue of shares must not be priced at more than 10% discount to the VWAP for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed, unless specific Shareholders' approval is obtained for the issue of shares pursuant to Rule 811(3) of the Catalist Rules. If trading in the

issuer's shares is not available for a full market day, the VWAP must be based on the trades done on the preceding market day up to the time the placement agreement is signed.

The Issue Price of S\$0.0379, Introducer Issue Price of S\$0.0243 and Sponsor Issue Price of S\$0.023 represents a discount of approximately 21.69%, 49.79% and 52.48% respectively to the VWAP of S\$0.0484 per Share for trades done on the SGX-ST on 22 October 2024, being the full market day on which Shares were traded immediately preceding the date of the Agreement.

8.3. Section 161 of the Act and Rule 805 of the Catalist Rules

Section 161 of the Companies Act and Rule 805 of the Catalist 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, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

In view of the foregoing, the Company will seek the specific approval of Shareholders at the EGM for:

- (a) the allotment and issuance of the Consideration Shares in accordance with Rules 803, 805, 811 of the Catalist Rules and section 161 of the Act; and
- (b) the allotment and issuance of the Introducer Shares and Sponsor Shares in accordance with Rules 805 and 811 of the Catalist Rules and section 161 of the Act.

8.4. Securities and Futures Act 2001 of Singapore

The Consideration Shares, Introducer Shares and Sponsor Shares are to be allotted and issued to the Vendor, Introducer and Sponsor respectively pursuant to the "safe harbour" exemptions for a private placement under Section 272B of the SFA and in compliance of with the conditions of these exemptions in the SFA. The Vendor, Introducer and Sponsor are not accepting the Company's offer of the Consideration Shares, Introducer Shares and Sponsor Shares respectively with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA. No prospectus or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the proposed allotment and issuance of Consideration Shares, Introducer Shares or Sponsor Shares.

8.5. Additional Listing Application

Subject to the Company obtaining the necessary approval of its Shareholders at the EGM for, *inter alia*, the Proposed Acquisition and the allotment and issuance of Consideration Shares, Introducer Shares and Sponsor Shares, the Company will in due course make an application to the SGX-ST through its Sponsor for the listing and quotation of the Consideration Shares, Introducer Shares and Sponsor Shares on Catalist.

9. DIRECTORS' CONFIRMATION

- 9.1. The allotment and issuance of the Consideration Shares, Introducer Shares and Sponsor Shares will not result in any new cash proceeds being raised for the Company. The Directors are of the opinion that, after taking into consideration the Group's present internal resources and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. The allotment and issuance of the Consideration Shares, Introducer Shares and Sponsor Shares is being undertaken for the reasons set out in paragraphs 4 and 5 of this Announcement.

10. PROFORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

10.1. Bases and Assumptions

The proforma financial effects of the Proposed Acquisition on the share capital, loss per Share (“LPS”) and NTA per Share of the Group have been prepared based on the latest audited consolidated financial results of the Group for the financial year ended 31 December 2023 and the latest management accounts of the Target of 30 June 2024, without any adjustment to align the financial year end of the Group with that of the Target.

The proforma financial effects of the Proposed Acquisition are for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group following Completion.

For the purposes of illustrating the financial effects of the Proposed Acquisition, the following key assumptions have been adopted:

- (a) the financial effects of the Proposed Acquisition on the NTA per Share of the Group are computed based on the assumption that the Proposed Acquisition was completed on 31 December 2023;
- (b) the financial effects of the Proposed Acquisition on the Group's losses and losses per Share are computed assuming that the Proposed Acquisition was completed on 1 January 2023;
- (c) all of the Consideration Shares will be allotted and issued at the Issue Price upon Completion;
- (d) 652,173 Sponsor Shares will be allotted and issued at the Sponsor Issue Price upon Completion;
- (e) 395,778 Sponsor Shares will be allotted and issued at the Issue Price upon Completion;
- (f) all of the Introducer Shares will be allotted and issued at the Introducer Issue Price upon Completion; and
- (g) expenses incurred by the Company in relation to the Proposed Acquisition are estimated to be approximately S\$240,000.

10.2. Share Capital

	Before the Proposed Acquisition	After the Proposed Acquisition
Issued and paid-up share capital of the Company (S\$'000)	33,570	40,254
Total number of issued Shares	856,333,062	1,038,175,826 ⁽¹⁾

Note:

- (1) Total number of issued Shares will be increased by the allotment and issuance of the Consideration Shares, Introducer Shares and Sponsor Shares to the Vendor, the Introducer and the Sponsor respectively, upon Completion of the Proposed Acquisition.

10.3. NTA per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ as at 31 December 2023 (S\$'000)	(4,323)	4,457
Total number of Shares	188,993,260	370,836,024 ⁽²⁾
NTA per Share (cents)	(2.29)	1.20

Notes:

- (1) NTA is based on the net asset value of the Group less intangible assets and goodwill.
- (2) This is calculated based on the Company's share capital of 188,993,260 Shares as at 31 December 2023 and assuming that the Proposed Acquisition, allotment and issuance of Consideration Shares, Introducer Shares and Sponsor Shares have been completed on 31 December 2023.

10.4. LPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to Shareholders (S\$'000)	(14,486)	(13,676)
Weighted average number of shares	188,993,260	370,836,024
LPS	(7.66)	(3.69) ⁽¹⁾

Note:

- (1) This is calculated based on the Company's share capital of 188,993,260 Shares as at 1 January 2023 and assuming that the Proposed Acquisition, allotment and issuance of Consideration Shares, Introducer Shares and Sponsor Shares have been completed on 1 January 2023.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 11.1. Save as disclosed in this Announcement, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition and all transactions contemplated under the Agreement, other than through their respective shareholdings in the Company (as the case may be).

12. SERVICE AGREEMENTS

- 12.1. As at the date of this Announcement, the Company has not entered into any service agreement with any person proposed to be appointed as a Director or executive officer of the Company in connection with the Proposed Acquisition. It is envisaged that the Company will, on or prior to Completion, enter into the Service Agreement as described in paragraph 3.8(a) of this Announcement.

13. DIRECTORS' RESPONSIBILITY STATEMENT

- 13.1. 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 Acquisition and the Group, and the Directors 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 Directors 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.

14. DOCUMENTS AVAILABLE FOR INSPECTION

- 14.1. A copy of the Agreement will be available for inspection during normal business hours at the Company's registered office at 22 Sin Ming Lane, Midview City #04-73, Singapore 573969 for a period of three (3) months from the date of this Announcement.

Shareholders who wish to inspect the aforementioned document at the registered office are required to send an email request to info@gs Holdings.com.sg to make an appointment in advance. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements will be subjected to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

15. EGM AND CIRCULAR TO SHAREHOLDERS

- 15.1. The Company will convene the EGM in due course to seek the approval of the Shareholders for the Proposed Acquisition, and allotment and issuance of the Consideration Shares, Introducer Shares, Sponsor Shares and the Proposed Appointment of New Director, and the Circular enclosing the notice of EGM in connection therewith, will be despatched to the Shareholders at the relevant time.

16. FURTHER ANNOUNCEMENTS

- 16.1. The Company will make further announcements on the Proposed Acquisition as appropriate or when there are further developments.

17. CAUTIONARY STATEMENT

- 17.1. The Directors of the Company would like to advise Shareholders that, although the Agreement has been entered into, Completion is subject to the Conditions Precedent which include the results of legal, financial and other due diligence to be conducted by the Company being satisfactory to the Company (and its professional advisers). Shareholders and potential investors are advised to exercise caution when dealing in the Shares, as there is no certainty or assurance, as at the date of this Announcement, as to whether (i.) the terms and conditions of the Proposed Acquisition may be varied by agreement of the Parties in writing from those set out in the Agreement and this Announcement, or (ii.) the Proposed Acquisition will proceed to Completion at all. Shareholders and potential investors of the Company should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD

Lim Kee Way Irwin
Independent and Non-Executive Chairman
GS Holdings Limited

23 October 2024

*This announcement has been prepared by GS Holdings Limited, and its contents have been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalyst.*

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 Jerry Chua, at 160 Robinson Road, #20-01/02, SBF Building, Singapore 068914, Telephone (65) 6241 6626.

Conditions Precedent

Unless otherwise defined in this Announcement, terms referred to in this Appendix A shall have the meanings defined in the Agreement. The Proposed Acquisition is subject to the Conditions Precedent as set out in their entirety in the Agreement, which include, *inter alia*, the following:

- (a) the Vendor being, on the Completion Date, (i.) the sole legal, beneficial and registered owner of the Sale Shares, free from all Encumbrances, and not holding the same on trust for other beneficiaries, and (ii.) entitled to sell and transfer to the Company the full legal title and beneficial ownership of the Sale Shares together with all rights, benefits and entitlements attaching and accruing thereto (including, without limitation, the rights to any dividends or other distributions declared or payable thereon) as at the Completion Date;
- (b) the Sale Shares (i.) being duly authorised and validly allotted and issued, (ii.) being free from all Encumbrances to be freely dealt with by the Company and there being no other claimants to and/or disputes relating to ownership of and/or title to the Sale Shares, and no circumstances likely to give rise to such claims or disputes, (iii.) ranking *pari passu* with all the then existing ordinary shares of the Target, and (iv.) being not subject to any rights of pre-emption or first refusal or any restriction on disposal placed by any party or by contractual undertaking or otherwise or under any restrictions by any law or Regulator restricting the sale and transfer of the Sale Shares;
- (c) the approval and such approval not having been qualified or withdrawn, of the Shareholders at the EGM for the entering into of the Agreement, all other transactions in connection therewith and incidental thereto, including without limitation:
 - (i.) the Proposed Acquisition;
 - (ii.) the allotment and issuance of Consideration Shares in accordance with the terms of the Agreement; and
 - (iii.) the Proposed Appointment of New Director;
- (d) the Target not being a party to any interested person transactions that do not comply with the requirements of the Catalist Rules;
- (e) the approval of the Target's directors, Vendor's directors and Vendor's shareholder for the sale and transfer of the Sales Shares to the Company in accordance with the terms of the Agreement and the authorisation of the Target's secretary to register the transfer of the Sale Shares from the Vendor to the Company, cancellation of the original share certificates representing all of the Sale Shares and issuance of a new share certificate representing all of the Sale Shares to and in the name of the Company, and any related transactions as may be required in relation thereto;
- (f) the conduct and completion of a legal, financial and technical due diligence exercise by the Company and/or their professional advisers on the Target and its subsidiary, Vendor and Business, and the results of such due diligence exercise being satisfactory to the Company in its reasonable opinion, with the substantive investigations for such due diligence exercise to be materially carried out by Completion;
- (g) the issuance of the Valuation Report by the Independent Valuer and the Appraised Value being in the range of S\$8.81 million to S\$13.28 million;
- (h) the Warranties being complied with, and being true and accurate in all material aspects on and as at the Completion Date with reference to the facts and circumstances prevailing at the Completion Date, and each Party having performed and complied with all their respective obligations, undertakings, covenants and agreements set out in the Agreement on or prior to

the Completion Date and no fact or circumstance having occurred which would result in the Warranties being untrue or inaccurate or misleading;

- (i) all actions, conditions and things required to be taken, fulfilled and done (including, without limitation, the obtaining of all necessary licenses, consents, permits, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant Regulators, entitled third-parties, counterparties, financing or facility providers of the Company, the Vendor and the Target and its subsidiary) (i.) in order to enable the Parties to lawfully enter into, exercise their rights and perform and comply with their respective obligations under the Agreement, and to ensure that those obligations are legally binding and enforceable, (ii.) for the Proposed Acquisition, (iii.) for the transfer of the Sale Shares to the Company, (iv.) for the allotment and issuance of Consideration Shares, and (v.) for the Proposed Appointment of New Director, and all other transactions in connection therewith and incidental thereto having been taken, obtained, or made (as the case may be) and not having been withdrawn, revoked or amended and if subject to any conditions, such conditions being reasonably acceptable to the Parties and are fulfilled on or before the Completion Date, and all other actions having been taken by or on behalf of the Vendor and the Target to comply with all applicable legal and other requirements necessary to ensure that the transfer of the Sale Shares is in accordance with, and do not infringe any existing law, statute, regulation, decision, ruling, judgment, award, code, practice, direction, decree, order, contract or agreement, including without limitation, the issuance by the SGX-ST of a listing and quotation notice for the Consideration Shares on Catalist;
- (j) no relevant Regulator taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or made, proposed or enacted any law, statute, regulation, decision, ruling, judgment, award, code, practice, direction, decree or order or taken any steps, and there not continuing to be in effect or outstanding any law, statute, regulation, decision, ruling, judgment, award, code, practice, direction, decree or order which would or might:
 - (i.) make the Proposed Acquisition, the allotment and issuance of Consideration Shares, the Proposed Appointment of New Director, all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same, and/or
 - (ii.) render the Company unable to purchase all or any of the Sale Shares in the manner set out in the Agreement;
- (k) the Target and its subsidiary having preserved and maintained in full force and effect its existing corporate existence, organisation and share capital structure as at the date of the Agreement in the manner described in Schedule 1 and, save as required to effect the transactions contemplated in the Agreement, not having undertaken or effected any re-organisation, merger, amalgamation, restructuring, reconstruction, take-over or change in shareholding, or change in its share capital structure, including (without limitation) any increase, reduction, consolidation, sub-division, reclassification, cancellation, acquisition, redemption or re-purchase of shares, bonus or rights issues, stock split or do such other acts in relation to its share capital or reserve or allotted and issued shares or other securities or granted options over shares or securities or issued any warrants, convertible preference shares or other forms of convertible securities (howsoever called) which are convertible into shares or entered into any agreement or undertaking to do the same or done or agreed or permitted to, or caused to be done, such acts;
- (l) the Target and its subsidiary not conducting or having any other businesses, activities, obligations, and/or undertakings other than the Business and having carried on and conducted the Business as described in Schedule 1 in the ordinary course since the Balance Sheet Date to the Completion Date and consistent with past practices and having preserved and maintained the Business, its goodwill and relationships with suppliers, customers, employees, agents and others having relationships with the Target consistent with past practices;

- (m) the Target and its subsidiary having not after the date of the Agreement, save with the Company's prior written consent (which should not be unreasonably withheld or delayed), entered into any material or long-term contracts other than in the ordinary course of the Business, changed its business activities, operations, properties or financial condition, commenced or carried on any type of business which is not ancillary, incidental to or an extension of the Business, acquired, diluted or disposed of any assets, businesses, undertakings or other entities or investments, entered into any financing, credit or banking arrangements with any third party or set up or acquire new or additional subsidiaries or associated companies;
- (n) save as Disclosed, there being no change or any development from the date of the Agreement to the Completion Date likely to result in a Material Adverse Change in the operations, prospects or financial condition, or otherwise, of the Target and its subsidiary nor any breach of, nor the occurrence of any event or the discovery of any matter rendering untrue or inaccurate, any of the Vendor's Warranties;
- (o) all permits, licenses, consents, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all Regulators that are required to enable the Target and its subsidiary to carry out the Business, having been obtained, renewed, extended or made (as the case may be), being in full force and effect and all conditions thereof (being acceptable to the Company in its reasonable opinion) having been fully complied with and all other actions having been taken by or on behalf of the Target and its subsidiary to comply with all legal and other requirements applicable to the Target and its subsidiary, necessary to ensure that the carrying out of the Business in the jurisdictions where the Business takes place are in accordance with, and do not infringe any existing law, statute, regulation, decision, ruling, judgment, award, code, practice, direction, decree, order, contract or agreement;
- (p) save for contracts and obligations entered into in the ordinary course of the Business, there being no liabilities, including contingent and contractual liabilities and no present or future obligations, unpaid loans, guarantees, indemnities, performance bonds, liabilities under any service agreements or employment contracts, liabilities to trade creditors, liabilities in respect of unpaid fees, liabilities under Claims, demands, causes of action, investigations, actions, suits or other proceedings (judicial, administrative, arbitration or otherwise), judgments, tax liabilities, accounts payables and other costs, debts, losses, financial indebtedness and obligations of the Target and its subsidiary since the Balance Sheet Date;
- (q) there being no current or pending Claims, disputes, investigations, actions, suits or proceedings (including but not limited to litigation, arbitration, mediation, administrative, statutory, tribunal, regulatory, criminal or insolvency proceedings) against or affecting the Target, its subsidiary and/or the Vendor, there being no such claims, disputes, investigations, actions, suits or proceedings threatened or contemplated and there being no incidents, events, claims, disputes or circumstances known to the Vendor in respect of the Target and its subsidiary which are likely to give rise to any claim, dispute, investigations, actions, suits or proceedings, which in any such case may have or has an effect on the Proposed Acquisition, and all other transactions in connection therewith and incidental thereto;
- (r) there being no unsatisfied award, judgment or court order outstanding against the Target, its subsidiary and/or the Vendor nor any distress, execution or other process that has been levied against the businesses, undertakings, properties, assets or goodwill of the Target, its subsidiary and/or the Vendor;
- (s) the Company, Vendor and Target and its subsidiary are each and all not the subject of any actual, pending or threatened Insolvency Event;
- (t) the Company, Target, its subsidiary and the Vendor being in compliance with all laws, rules, regulations, directives and orders that are applicable to them respectively;

- (u) the Vendor's nominee in respect of the Proposed Appointment of New Director having entered into an executive service agreement with the Company on terms acceptable to the Parties and Sponsor; and
- (v) the Shares not being suspended by the SGX-ST from trading on the Catalist other than in relation to trading halts not exceeding three (3) market days pending announcements of the Company.

The Parties agree that they shall each take all actions and do all things necessary for the purposes of enabling the aforesaid conditions precedent to be satisfied.
