



GOODWILL ENTERTAINMENT HOLDING LIMITED

(Company Registration No: 201633838K)
(Incorporated in the Republic of Singapore)

PLACEMENT IN RESPECT OF 60,000,000 PLACEMENT SHARES (COMPRISING 42,500,000 NEW SHARES AND 17,500,000 VENDOR SHARES) AT S\$0.20 FOR EACH PLACEMENT SHARE, PAYABLE IN FULL UPON APPLICATION

Prior to making a decision to subscribe for the Placement Shares, you should carefully consider all the information contained in the offer document dated 30 October 2024 issued by Goodwill Entertainment Holding Limited (the “Company” and together with its subsidiaries, the “Group”) in respect of the Placement (the “Offer Document”). This Product Highlights Sheet should be read in conjunction with the Offer Document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. You should also consider whether an investment in the Placement Shares is suitable for you taking into account your investment objectives and risk appetite. If you are in doubt as to investing in the Placement Shares, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

This Product Highlights Sheet¹ is an important document.

- It highlights the key information and risks relating to the offer of the Placement Shares contained in the Offer Document. It complements the Offer Document².
- It is important to read the Offer Document before deciding whether to subscribe for the Placement Shares. If you do not have a copy, please contact our Company or the Sponsor, Issue Manager and Joint Placement Agents to ask for one.
- You should **not** subscribe for the Placement Shares if you do not understand the nature of an investment in the Placement Shares, our Company, our Group and our business or are not comfortable with the accompanying risks.
- If you wish to subscribe for the Placement Shares, you will need to make an application in the manner set out in the Offer Document.

Issuer	Goodwill Entertainment Holding Limited	Place of incorporation	Singapore
Details of the Placement	Placement of 60,000,000 Placement Shares (comprising 42,500,000 New Shares and 17,500,000 Vendor Shares)	Total amount to be raised in the Placement	Gross proceeds from the Placement (comprising the New Shares and the Vendor Shares) will be approximately S\$12.00 million. The net proceeds to be raised from the Placement, will be approximately S\$9.81 million after deducting the aggregated estimated expenses incurred in connection with the Placement (which will be borne by our Company and the Vendor). The net proceeds to be raised by our Company from the issuance of the New Shares is estimated to be approximately S\$6.45 million, after deducting our share of the estimated expenses in relation to the Placement of approximately S\$2.05 million.
Placement Price	S\$0.20 for each Placement Share		
Sponsor and Issue Manager	Evolve Capital Advisory Private Limited		
Joint Placement Agents	Evolve Capital Advisory Private Limited and Haitong International Securities (Singapore) Pte. Ltd.	Listing status of Issuer and the Securities	An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued (including the Vendor Shares) and the New Shares on the Catalist of the SGX-ST. The Shares are expected to be listed on 15 November 2024.

¹ This Product Highlights Sheet does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information in this Product Highlights Sheet is based on information found in the Offer Document. Any decision to subscribe for any securities must be made solely on the basis of information contained in the Offer Document. Capitalised terms used in this Product Highlights Sheet, unless otherwise defined, shall bear the meanings as defined in the Offer Document.

² The Offer Document, lodged with the SGX-ST, acting as agent on behalf of the Authority on 30 October 2024, may be obtained on request, subject to availability during office hours from Evolve Capital Advisory Private Limited, 160 Robinson Road, #20-01/02 SBF Center, Singapore 068914. A electronic copy of the Offer Document is also accessible at the SGX-ST website: <http://www.sgx.com>.

OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

Our Company was incorporated in Singapore as a private limited company under the Companies Act on 12 December 2016 under the name “Goodwill Entertainment Holding Pte. Ltd.”.

Our Group is in the business of operating multi-entertainment concepts, comprising a network of family-friendly karaoke facilities with F&B concepts, performance halls and dance clubs, operating under the brand names “HaveFun Family Karaoke”, “FATEbyhavefun” and “HaveFun Live Show”.

As at the date of the Offer Document, the Restructuring Exercise has not been completed. Our Company will be converted into a public company limited by shares and renamed “Goodwill Entertainment Holding Limited” following the completion of the Restructuring Exercise. It is intended that the Restructuring Exercise will be completed prior to the registration of the final offer document.

Details of our two (2) main business segments are as follows:

Karaoke Lounges and Multi-Entertainment Venues

This segment comprises our Group’s operations of 11 “HaveFun Family Karaoke” karaoke outlets across Singapore. Each karaoke outlet provides its customers with a variety of amenities, from private cinemas to pool tables, dart machines, as well as board and console games. As part of our multi-entertainment strategy, some of our karaoke outlets feature performance halls that serve as an event space for live band performances, meet-and-greet events, live comedy and other acts.

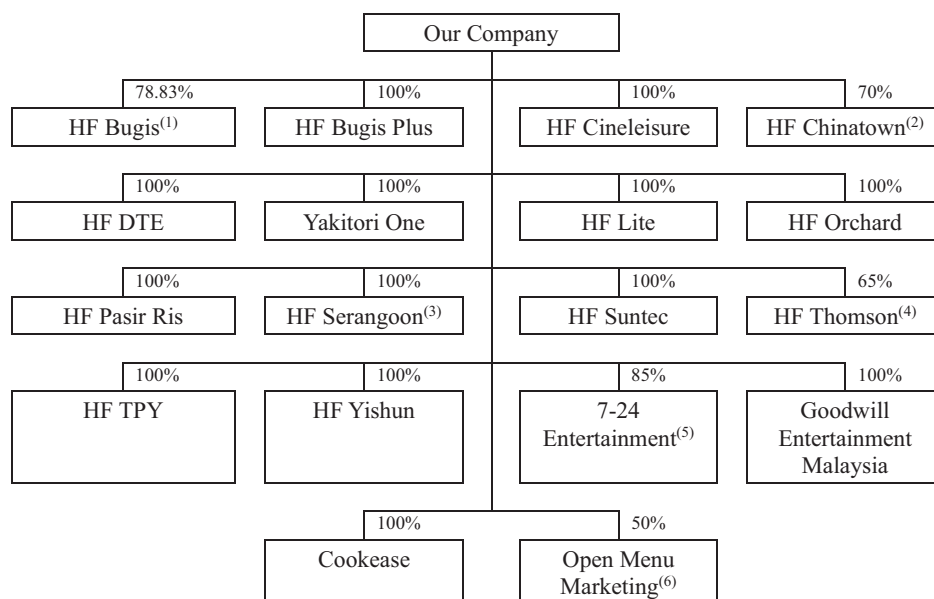
In addition to karaoke lounges, our flagship outlet at Cineleisure Orchard features our first dance club of the Group, “FATEbyhavefun”. Our flagship outlet provides customers with a seamless transition karaoke to dance for a full “night-out” experience.

Live show concept

This segment comprises our Group’s latest instalment, “HaveFun Live Show”, which is multi-entertainment concept in collaboration with Hezong. As a new mega live entertainment house, it is the first-of-its-kind in Singapore providing up close live performances and interactions with various performing artistes, coupled with 8,000 lights and state-of-the-art audio-visual equipment, giving a full sensory experience to patrons, delivering a cinematic and immersive concert-like experience.

Refer to the sections entitled “General Information of Our Group – Business Overview” on pages 132 to 136 of the Offer Document for more details on our business segments and “Our Restructuring Exercise and Further Developments – Restructuring Exercise” at pages 84 to 85 of the Offer Document for more details on the Restructuring Exercise, of the Offer Document.

The structure of our Group as at the date of the Offer Document is as follows:



Refer to the section entitled “Our Group Structure – Our Group Structure” on page 89 of the Offer Document.

<p>Notes:</p> <p>(1) Computed based on our Company’s shareholding of 2,501 ordinary shares and 4,200 HF Bugis Class B Ordinary Shares, out of the total of 8,501 shares in issue as at the date of this Offer Document, comprising 2,501 ordinary shares and 6,000 HF Bugis Class B Ordinary Shares. The remaining 21.17% of HF Bugis is held by Hezong, pursuant to the issuance of 900 HF Bugis Class B Ordinary Shares on 24 January 2024 and 900 HF Bugis Class B Ordinary Shares on 12 March 2024. The HF Bugis JVA provides that the HF Bugis Class B Ordinary Shares do not carry any voting rights and holders of such HF Bugis Class B Ordinary Shares shall not have any rights to appoint a director and shall only be entitled to rights in relation to the Bugis+ Joint Venture Outlet, such as the right to receive dividends declared in relation to the profits accrued by the Bugis+ Joint Venture Outlet. Please refer to the section entitled “Our Restructuring Exercise and Further Developments – Further Developments” for details of Hezong.</p> <p>(2) The remaining 30.0% of HF Chinatown is held by Piggy Technology Pte. Ltd., Ji Fang, Tian Yongbin and Liu Cheng (holding 10.91%, 8.18%, 5.45% and 5.46%, respectively), who are unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.</p> <p>(3) HF Serangoon (in liquidation - creditors’ voluntary winding up) has in January 2022 ceased operations of its business located in NEX. The Company was placed under provisional liquidation on 7 May 2024, in accordance with Section 161 of the Insolvency, Restructuring, and Dissolution Act 2018. Subsequently, the provisional liquidation transitioned to a voluntary liquidation on 21 May 2024 and the sole Liquidator was appointed on the same day.</p> <p>(4) The remaining approximately 35.0% of HF Thomson is held by Elite Gastronomy Pte. Ltd. and Waynard Lee Wei Kiat (holding 28.6% and 6.4% respectively), who are unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.</p> <p>(5) The remaining 15.0% of 7-24 Entertainment is held by Ms. Zhang Xiaoling, who is unrelated our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.</p> <p>(6) The remaining 50.0% of Open Menu Marketing is held by DeliveryChinaTown Pte. Ltd., whose shareholders are unrelated to our Directors, Executive Officers, Substantial Shareholders and/or their respective associates.</p>	
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WHO ARE OUR DIRECTORS AND KEY EXECUTIVE?

<p>Our Board comprises: Mr. Flint Lu (Executive Chairman and CEO); Mr. Thang Teck Jong (Vice Chairman and Non-Executive Director); Mr. Christopher Huang (Lead Independent Non-Executive Director); Mr. Ng Tse Meng (Independent Non-Executive Director); and Mr. Foong Daw Ching (Independent Non-Executive Director).</p> <p>Our Executive Officers are: (a) Mr. Tan Kian (Chief Financial Officer); and (b) Ms. Victoria Sun (Chief Operating Officer).</p>	<p>Refer to the section entitled “Directors, Executive Officers and Employees” on pages 185 to 194 of the Offer Document.</p>
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WHO ARE OUR CONTROLLING SHAREHOLDERS?

<p>As at the Latest Practicable Date, our controlling shareholders are Mr. Flint Lu, GIH2023 and Mengkim, holding 31.82%, 40.00% and 25.96% of our issued and paid-up share capital, respectively. Immediately following the completion of the Placement, Mr. Flint Lu, GIH2023 and Mengkim will hold 28.38%, 35.67% and 18.77% of our issued and paid-up share capital, respectively, and remain as our controlling shareholders.</p> <p>GIH2023 is a Singapore-incorporated investment holding company. Mr. Flint Lu is the sole shareholder of GIH2023. Mengkim is a Singapore-incorporated company in the business of retail sale of motor vehicles (except motorcycles and scooters). Mr. Thang Teck Jong and his wife, Ms. Kang Ling Ting, owns 90.0% and 10.0% of the shares in Mengkim, respectively.</p>	<p>Refer to the section entitled “Shareholders – Ownership Structure” on pages 70 to 71 of the Offer Document.</p>
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HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

Consolidated statements of profit or loss and other comprehensive income

S\$'000	← Audited →			← Unaudited →	
	FY2021	FY2022	FY2023	3M2023	3M2024
Revenue	930	16,487	23,930	5,070	8,926
Other income	1,419	1,012	561	201	187
Purchases and related costs	(434)	(3,294)	(3,764)	(740)	(1,669)
Depreciation of plant and equipment	(1,283)	(1,185)	(1,714)	(336)	(843)
Depreciation of right-of-use assets	(1,341)	(1,505)	(3,742)	(485)	(1,636)
Staff costs	(1,898)	(4,549)	(6,340)	(1,246)	(2,350)
Operating lease expenses	(41)	(227)	(804)	(221)	(234)
Other operating expenses	(448)	(3,498)	(3,617)	(694)	(1,557)
Share of results of associate, net of tax	(191)	(24)	–	–	–
Finance costs	(506)	(441)	(825)	(131)	(314)
(Loss)/Profit before taxation	(3,793)	2,776	3,685	1,418	510
Taxation	402	(724)	(446)	(195)	(102)
(Loss)/Profit for the year/period	(3,391)	2,052	3,239	1,223	408
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Fair value loss on derivative financial instrument	–	–	–	–	(110)
Foreign currency translation differences on consolidation	–	–	–*	–	–*
Other comprehensive loss for the year/period, net of tax of nil	–	–	–	–	(110)
Total comprehensive (loss)/income for the year/period	(3,391)	2,052	3,239	1,223	298
(Loss)/Profit attributable to:					
Owners of the Company	(3,307)	1,145	2,904	1,013	386
Non-controlling interests	(84)	907	335	210	22
	(3,391)	2,052	3,239	1,223	408
Total comprehensive (loss)/income attributable to:					
Owners of the Company	(3,307)	1,145	2,904	1,013	276
Non-controlling interests	(84)	907	335	210	22
	(3,391)	2,052	3,239	1,223	298
Adjusted EBITDA ⁽¹⁾	(2,004)	4,402	6,224	1,885	1,667
(Loss)/Earnings per Share					
Basic and diluted ⁽²⁾ (cent) (Pre-Invitation)	(0.95)	0.58	0.91	0.34	0.11
Basic and diluted ⁽³⁾ (cent) (Post-Invitation)	(0.85)	0.51	0.81	0.31	0.10

* Denotes less than 1,000

Notes:

- (1) The adjusted EBITDA computation has been derived from taking the (loss)/profit before taxation and excluding the borrowings finance costs and depreciation of plant and equipment
- (2) For illustrative purposes, the EPS for the Period Under Review has been calculated based on our net profit and the pre-Invitation issued share capital of 356,750,000 Shares.
- (3) For illustrative purposes, the EPS for the Period Under Review (as adjusted for the Placement) has been calculated based on our net profit and the post-Invitation issued share capital of 400,000,000 Shares.

Refer to the section entitled “Selected Consolidated Financial Information” on pages 95 to 99 and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 100 to 130 of the Offer Document.

Consolidated statements of financial position

S\$'000	Audited as at 31 December			Unaudited as at
	2021	2022	2023	31 March 2024
Non-current assets	6,917	10,665	30,381	31,906
Current assets	1,853	4,158	8,612	14,954
Total assets	8,770	14,823	38,993	46,860
Current liabilities	9,173	6,148	15,622	15,286
Non-current liabilities	1,628	5,326	15,217	21,321
Total liabilities	10,801	11,474	30,839	36,607
Equity attributable to owners of the Company	(2,235)	2,224	7,712	7,988
Non-controlling interests	204	1,125	442	2,265
Total equity	(2,031)	3,349	8,154	10,253
NAV per Share⁽¹⁾ (cents)	(0.63)	0.62	2.16	2.24
Adjusted NAV per Share⁽²⁾ (cents)	1.49	2.60	3.97	4.04

Notes:

- (1) For illustrative purposes, NAV per Share is computed based on the equity attributable to the owners of our Company and our pre-Invitation of 356,750,000 Shares.
- (2) For illustrative purposes, the adjusted NAV per Share is computed based on the equity attributable to the owners of our Company and our post-Invitation share capital of 400,000,000 Shares, after adjusting for the estimated net proceeds from the issue of the Placement Shares.

Consolidated statements of cash flows

S\$'000	FY2021	Audited	FY2023	Unaudited
		FY2022		3M2024
Net cash (used in)/ generated from operating activities	(84)	6,333	7,828	4,189
Net cash used in investing activities	(281)	(364)	(10,674)	(2,020)
Net cash generated from/(used in) financing activities	437	(4,337)	3,549	3,620
Net increase in cash and cash equivalents	72	1,632	703	5,789
Cash and cash equivalents at the beginning of year/period	436	508	2,140	2,843
Cash and cash equivalents at the end of year/period	508	2,140	2,843	8,632

Review of results of operations

The most significant factors contributing to our financial performance in the past financial years are as follows:

Revenue

- (a) Our Group's FY2022 revenue increased by S\$15,557,000 or 1,672.8%, from S\$930,000 in FY2021 to S\$16,487,000 in FY2022, due to the resumption of operations of our outlets after the Circuit Breaker Measures were gradually lifted and the opening of two (2) new outlets in FY2022 which expanded our business operations from seven (7) outlets in FY2021 to nine (9) outlets in FY2022.
- (b) Our Group's FY2023 revenue further increased by S\$7,443,000 or 45.1%, from S\$16,487,000 in FY2022 to S\$23,930,000 in FY2023, primarily due to continuing full year operations of all existing karaoke outlets in FY2023 as compared to FY2022 where the existing outlets operations were less than full 12 months and opening of two (2) new outlets in FY2023.
- (c) Our Group's revenue increased by S\$3,856,000 or 76.1% from S\$5,070,000 in 3M2023 to S\$8,926,000 in 3M2024. The increase in revenue was primarily because of continuing full year operations of all existing karaoke outlets in 3M2023 as compared to 3M2024 where the existing outlets operations were less than full 12 months and additional one (1) new outlet established in 3M2024, namely the Bugis+ Joint Venture Outlet which contributed one (1) month of revenue, captured under 3M2024 results.

Profit before tax

- (a) Our Group recorded a loss before taxation of S\$3,793,000 in FY2021 as compared to a profit before taxation of S\$2,776,000 in FY2022. This was mainly due to the impact of the COVID-19 pandemic which adversely affected our Group’s business operation badly in FY2021. The improvement in our profit before taxation in FY2022 was mainly attributable to the resumption of operations of our outlets after Circuit Breaker Measures were gradually lifted and the opening of two (2) new outlets establishment in FY2022.
- (b) Our Group’s FY2023 profit before taxation increased by S\$909,000 or 32.7% from S\$2,776,000 in FY2022 to S\$3,685,000 profit in FY2023. Our profit before taxation as a percentage of revenue had remained relatively consistent at 16.8% and 15.4% in FY2022 and FY2023, respectively.
- (c) Our Group’s 3M2024 profit before taxation decreased by S\$908,000 or 64.0% from S\$1,418,000 in 3M2023 to S\$510,000 in 3M2024. Our profit before taxation as a percentage of revenue had decreased from 28.0% to 5.7% in 3M2023 and 3M2024, respectively primarily driven by (a) increase in expenses from establishment of new outlets, (b) higher depreciation of right-of-use assets and plant and equipment arising from establishment of the new outlets and (c) increase in other operating expenses, including to expenses relating to the Listing.

Review of financial position

As at 31 December 2021, our total equity amounted to negative S\$2,031,000 comprises mainly issued and fully paid share capital of S\$3,390,000 and other reserves of S\$369,000, partially off set by accumulated losses of S\$5,994,000. The equity attributable to non-controlling interests amounted to S\$204,000.

As at 31 December 2022, our total equity amounted to S\$3,349,000 comprises mainly issued and fully paid share capital of S\$5,820,000 and other reserves of S\$1,253,000, partially off set by accumulated losses of S\$4,849,000. The equity attributable to non-controlling interests amounted to S\$1,125,000.

As at 31 December 2023, our total equity amounted to S\$8,154,000 comprises mainly issued and fully paid share capital of S\$8,896,000 and other reserves of S\$760,000, partially off set by accumulated losses of S\$1,944,000. The equity attributable to non-controlling interests amounted to S\$442,000.

As at 31 March 2024, our total equity amounted to S\$10,253,000 comprises mainly issued and fully paid share capital of S\$8,896,000 and other reserves of S\$650,000, partially off set by accumulated losses of S\$1,558,000. The equity attributable to non-controlling interests amounted to S\$2,265,000.

The above factors are not the only factors contributing to our financial performance for the Period Under Review. Please refer to the other factors set out in the section entitled “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 99 to 129 of the Offer Document.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

We intend to implement the following business strategies and future plans to grow and expand our business:

Continue to grow the business and conduct geographical expansion

We will continue pursuing strategic growth and expansion within Singapore as it a key area of our competencies. The domestic market presents ample opportunities for growth. We intend to open more outlets in Singapore and introduce newer concepts along the expansion plans. We have identified key regions, demographics, and market segments where demand for our products/services is high, particularly in key neighbourhood regions. We anticipate the opening of a new outlet by the third quarter of 2024 as part of our expansion plans. Our expansion plans are strategically aligned with market trends, consumer preferences and industry dynamics, so as to ensure that we are able to retain and expand our current market share and drive revenue growth. With the introduction of regular live performances at the selected outlets, we aim to elevate the standards of and expand the variety of entertainments in Singapore. We intend for the performance halls to cater to a myriad of events whether by partnering with creative artiste agencies to conduct talent shows or performance, or corporate brands to host their media events.

Refer to the section entitled “General Information on Our Group – Business Strategies and Future Plans” on pages 140 to 142 of the Offer Document.

With a strong foundation of our business built since 2015, we plan to embark on the next phase of our expansion plans. Realising of emerging opportunities outside Singapore, our growth strategy includes geographical expansion across the SEA region by opening new outlets in major cities in SEA with an initial focus on expanding our operations to Malaysia and expanding brand presence to other countries in SEA.

Broaden our Company’s range of service offerings by vertical expansion

Our current core strength is in being a provider of entertainment services and spaces, in particular karaoke lounges complemented by F&B offerings. In order to enhance our revenue opportunities, we plan to expand into new verticals that are complementary to our current services. Our Group currently engages third-party suppliers for alcoholic beverages. Since 2023, we have been engaged in the development and manufacturing of our house craft beers which we intend to introduce and supply to our outlets. We believe this will reduce our reliance on third-party suppliers for alcoholic beverages and expand on our capabilities to diversify our business. Upon successful production, we intend for our house craft beers to be able to generate significant additional revenue and profit to the Group.

We are also looking into developing a food manufacturing plant as part of the vertical expansion of our entertainment venue. This strategic initiative aims to produce a range of food products tailored to the specific needs of our outlets. In doing so, we would be able us to implement our own quality control measures to ensure high standards of product quality, safety and consistency, which in turn we hope to earn the trust and confidence of our customers on our commitment to provide the best standards of F&B offerings at our outlets. As of the date of this Offer Document, we have entered into the sale and purchase agreements of two (2) units in a multi-tenanted ramp-up factory development designed for food-related trades located in Woodlands to initiate our vertical expansion plan.

Strategic joint ventures and alliances

Beyond organic growth, we are exploring expansion avenues through joint ventures and strategic alliances to create synergistic opportunities with our Group’s existing businesses. Through such expansion strategies, we intend to strengthen our market position and broaden our reach to increase our customer base, expand service offerings and establish ourselves in new markets.

The joint venture partner of our Bugis+ Joint Venture Outlet, Hezong group, is an established multi-media and lifestyle brand with vast experiences in lifestyle and multi-entertainment events. The Bugis+ Joint Venture Outlet features the “HaveFun Live Show” concept, the first-of-its-kind in Singapore providing up close live performances and interactions with various performing artistes, coupled with 8,000 lights and state-of-the-art audio-visual equipment, giving a full sensory experience to patrons, delivering a cinematic and immersive concert-like experience. It provides us with a competitive edge against the current entertainment offerings by our competitors.

We are also working to collaborate with successful brands and businesses, locally and overseas, to introduce fresh concepts to Singapore and SEA generally, with the vision of broadening and diversifying the entertainment or service offerings, thereby enhancing customer experience.

As at the Latest Practicable Date and aside from the HF Bugis JVA, we have not entered into definitive agreements with any potential party to acquire potential businesses or to form joint ventures and/or strategic alliances or identified any specific acquisition targets. We will carefully consider any such opportunities and undertake a comprehensive review and evaluation to determine whether such transactions will benefit our business before entering into them. Key factors that our Group will take into consideration when assessing such opportunities include, *inter alia*, return on investments, market demands and trends and commercial viability.

As at the Latest Practicable Date, none of the proceeds from the Placement have been committed for the purpose of expansion of our business through joint ventures, strategic collaborations, mergers and acquisitions, or investment opportunities.

Further invest in technologies on entertainment experience

We believe in a digital future for our Group and are planning to invest in artificial intelligence (AI) technology to create immersive entertainment experiences and audience engagement. As AI continues to evolve, it will play an increasingly prominent role in shaping the future of entertainment, offering new possibilities for creativity, storytelling, and audience interaction.

We aim to monitor the AI trends and development of AI capabilities in the entertainment segment, research its potential applications, and explore the incorporation of AI-driven tools into our existing processes that will complement and/or enhance our current operational procedures and processes so as to improve our efficiency and reduce operating costs. We aim to leverage on this technological wave and plans to develop an advanced AI robot system to significantly enhance productivity and elevate the customer experience in our “HaveFun Family Karaoke” outlets, to ensure that such experience is seamless and personalised. The plan is for the AI system to allow convenience in reservations, tracking of membership and past transactions, accumulation of membership points and redemption thereof. In addition, the AI systems will study the algorithm of the customers to deliver a personalised experience such as voice and text interaction between our customers and the AI interface which allows songs selection suited to the customer’s vocal preferences and preferred genre or suggestion of F&B menu based customer’s past orders. Our plans also include pioneering a feature that allows customers to create personalized music videos, which will be added to our song database, to allow customers to utilise their unique music videos for future visits.

We are cognisant of the potential problems and risks that may be related to the use of AI-technology, such as a possible infringement or misappropriation of intellectual property rights, and will continue to work closely with our clients to mitigate and manage the impacts arising from such risks. We will carefully consider any such investment opportunities and undertake a comprehensive review and evaluation to determine whether such transactions will benefit our business before entering into any such transaction. Key factors that our Group will take into consideration when assessing such opportunities include, inter alia, return on investments, market trends and commercial viability.

WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?

Based on the revenue and operations of our Group as at the Latest Practicable Date and barring unforeseen circumstances, our Board of Directors has observed the following trends for the since the end of 3M2024 and for the next 12 months from the Latest Practicable Date, based on our Group’s revenue and operations as at the Latest Practicable Date:

- (a) We expect an increase in revenue mainly due to the opening of new outlets and the introduction of our latest instalment, “HaveFun Live Show”, as well as increased contribution from our existing outlets. We expect our growth to continue to be underpinned by consumer demand for entertainment and dining due to the busy lifestyle of consumers in Singapore, driving the need for accessible and multi-faceted afterhours establishments that they may dine at and unwind.
- (b) As with our other businesses in Singapore, we expect to face inflationary pressures and a general trend of increase in the costs of food ingredients and other overheads such as utilities.
- (c) Coupled with the ongoing compliance costs of a publicly listed company and our one-time listing expenses, we expect our financial performance to be affected by ongoing compliance costs and expenses recorded in our financial statements in respect of a portion of our listing expenses incurred in relation to the Placement. We also expect our other expenses to increase significantly in FY2024 due mainly to professional and legal fees in relation to the Placement. We have recognised professional fees of S\$0.2 million in connection with the Placement, in our unaudited interim condensed consolidated statement of profit or loss and other comprehensive income for 3M2024. Please refer to the section “Use of Proceeds and Listing Expenses” of this Offer Document for further details in relation to our listing expenses.
- (d) As set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document, we intend to conduct geographical expansion by opening of new outlets or by entering into joint ventures, collaborations and/or strategic alliances. These expansion plans entail additional capital expenditures (such a renovations costs) before any generation of revenue and depreciation expenses.

Refer to the section entitled “General Information on Our Group – Trend Information” on page 147 of the Offer Document.

WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?

We will be affected by any change in economic and social conditions, in particular, consumer spending and preferences and lifestyle trends

Our Group's business is sensitive to economic and social conditions which affect consumer demand for entertainment and leisure activities. Any change in economic conditions such as economic performances, unemployment rates, inflation, recession, stock market performance, interest rates, the availability of consumer credit, and any regulatory (including fiscal and other governmental policies) or social or political changes in Singapore and the countries in which our Group is planning to operate may have an adverse impact on our businesses. Declines in general economic conditions could reduce the level of discretionary income and significant shift in consumer spending and/or preference and/or lifestyle trends. The success of our business is dependent on social conditions, in particular consumer spending and preferences and lifestyle trends, in Singapore and the countries in which we are planning to operate, and any decline in consumer spending or changes to preferences and lifestyle trends may adversely affect our financial performance.

Any change or amendment to the laws, policies, regulations, and government control may have an adverse effect on our business, financial condition and/or results of operations

We are or will be subject to various laws, policies, rules and regulations. Each of our outlets is subject to compliance of rules and regulations by various authorities that regulate matters such as the operation of entertainment business (such as karaoke and live show performances), F&B (including the sale of alcoholic beverages), and fire and safety of our outlets and each of our outlets are required to obtain, directly or indirectly, the relevant approvals, permits or licences from the relevant government authority to operate. Please refer to the section entitled "General Information on our Group – Government Regulations" of this Offer Document for more information on these regulations.

These government regulations governing our business are subject to changes, and any adverse change in any of these regulations, such as shortening of operating hours, may negatively impact the businesses and financial performance of our Group. Certain of our approvals, permits and licences such as our Public Entertainment Licences, Liquor Licences (Class 1A), Food Shop Licences, Copyright Music Licences are typically renewed on an annual basis, whereas our Licences for the Reproduction of Karaoke and Licences for the Public Performance of Karaoke may only be renewed for six-month terms. There had been delay in the past in relation to the applications for the licences for public performance of karaoke and the reproduction of karaoke issued by MRSS and the copyright music licences from COMPASS for our outlets. Notwithstanding the delays, the licences were issued by MRSS and COMPASS upon payment of the requisite fees.

The approvals, permits and licences held by the relevant Group Company may be revoked or suspended for cause (including any breach of licence conditions) at any time by the relevant issuing authority. If our Group and/or our employees (whom we depend on to ensure compliance with applicable laws, rules and regulations, including those relating to maintaining hygiene standards) are found to be in breach of any applicable laws, rules or regulations or the conditions of any permits or licences, the relevant authority may take action against our Group, and such action may include warnings, penalties, suspension of permits or licences, imposition of additional conditions, and revocation of the permits or licences. Any failure to receive, retain or renew, or suspension of any of the relevant approvals, permits and licences for any of our outlets will lead to an adverse effect on their financial performance and position. Notwithstanding the foregoing, we have not had any approvals, permits and licences granted for the Group's operations revoked or suspended nor do we face issue with the renewal of the Group's approvals, permits and licences.

Our efforts to comply with new and changing laws, policies, and regulations may likely continue to result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. The new laws, policies, and regulations may require additional approvals or licenses, impose additional restrictions on our operations, or tighten enforcement of existing or new laws, policies, and regulations.

Refer to the section entitled "Risk Factors – Risks Relating to our Business or the Industry in which We Operate" on pages 40 to 51 of the Offer Document.

The industry in which our Group operates is highly competitive

There are many other karaoke, entertainment, and F&B businesses that compete directly and indirectly with our Group. Our Directors note that there are low barriers to entry for new karaoke operators due to the business-friendly environment in Singapore. New business owners face minimal bureaucracy when applying for operating licences, and capital investment for their respective ventures may not require a substantial amount, depending on the services offered and the size of the outlets. Some of the competitors of our Group are well-established and may have significantly greater reputation, financial, marketing or other resources than our Group and we may not be able to compete effectively against these competitors. We may also encounter increased competition as a result of lowering prices or other marketing strategies employed by our existing competitors or new entrants. Any inability to compete effectively may lead to adverse effects on the financial performance and position of our Group.

Our success and growth are closely tied to the latest entertainment trends

A change in trend of preferred entertainment concept could result in our business becoming less popular. As the entertainment industry evolve, we must proactively monitor and adapt swiftly to the changing trends to stay relevant, maintaining a competitive edge in the market. Failure to innovate or provide fresh offerings may render our existing offerings obsolete. We must continually innovate our offerings to adapt to the emerging entertainment trends in order to capture market share swiftly. Any failure to anticipate and pivot our offerings in response to these shifts can result in significant losses and diminished relevance which may lead to adverse effects on the financial performance and position of our Group.

New concepts introduced by our Group have no operating track record

Our Group introduced two (2) new entertainment concepts, namely our dance club concept “FATEbyhavefun” at our flagship outlet Orchard Cineleisure in November 2023 and our live show concept “HaveFun Live Show” at our Bugis+ Joint Venture Outlet in February 2024. As such new concepts have no operating track record, there is no assurance that they will achieve revenues that commensurate with their investment costs within the projected timeline or that they will be successful in attracting such number of customers as anticipated at all. If these new concepts fail to achieve a sufficient level of revenue or if we are unable to manage their costs efficiently, our Group may not be able to recover its investment cost in relation to these outlets and the future financial performance and position of our Group would be adversely affected.

Our business will be adversely affected by negative publicity

The reputation of our business is subject to reviews from our customers concerning various issues, including (but not limited to) the quality of our services, the quality of F&B (including alcoholic beverages) served at our outlets, the hygiene standards and operational efficiency at our outlets, any complaints of illnesses from consumption of F&B at our outlets and any injuries sustained at our outlets as a result of the nature of entertainment events, leading to negative publicity to our Group. Negative publicity may also arise from various other reasons beyond our control, such as malicious or groundless rumours about our Group, our Directors, our key management officers, our employees or our offerings. Such negative publicity may be easily spread and may adversely impact our Group’s business operations, financial performance and position. Save for some minor customer complaints such as food taste, we are not aware of any negative publicity which have any material adverse impact our Group’s business operations, financial performance and position.

The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position, results of operations and/or prospects, and our Shares. Please refer to the section entitled “Risk Factors” on pages 40 to 54 of the Offer Document for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our Shares, you are advised to apprise yourself of all factors involving the risks of investing in our Shares from your professional advisers before making any decision to invest in our Shares, and you should also consider all the information contained in the Offer Document.

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at the date of the Offer Document, the issued and paid-up capital of our Group is S\$8,895,953 comprising 942,628 Shares. Upon the allotment and issue of the New Shares, the resultant issued and paid-up share capital of our Company will be S\$17,365,859 comprising 400,000,000 Shares, after taking into account the capitalisation of the expenses in relation to the Placement Shares.

Refer to the section entitled “Share Capital” on pages 64 to 68 of the Offer Document.

We have only one (1) class of shares, namely ordinary shares. The Placement Shares will, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up Shares. Subject to the Constitution, Shareholders will be entitled to all rights attached to their Shares in proportion to their shareholding, such as any cash dividends declared by our Company and any distribution of assets upon liquidation of our Company. There are no restrictions on the transfer of the fully paid-up Shares except where required by law, the Catalist Rules or our Company’s Constitution.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

Based on the Placement Price of S\$0.20, the gross proceeds from the Placement (comprising the New Shares and the Vendor Shares) will be approximately S\$12.00 million. The net proceeds to be raised from the Placement, will be approximately S\$9.81 million after deducting the aggregated estimated expenses incurred in connection with the Placement (which will be borne by our Company and the Vendor).

Refer to the section entitled “Use of Proceeds and Listing Expenses” on pages 55 to 56 of the Offer Document.

The net proceeds to be raised by our Company from the issuance of the New Shares is estimated to be approximately S\$6.45 million, after deducting our share of the estimated expenses in relation to the Placement of approximately S\$2.05 million.

We will not receive any proceeds from the sale of the Vendor Shares by the Vendor.

For each Singapore dollar of the gross proceeds from the issuance of New Shares, we intend to use the following amounts primarily for the purposes set out below:

Use of proceeds	Estimated amount (S\$’000)	Estimated amount allocated for each Singapore dollar of gross proceeds from the issuance of the New Shares (cents)
Expansion of our business regionally and globally	1,612.94	18.98
Broadening our existing business verticals	1,612.94	18.98
Acquisitions, joint ventures and/or strategic partnerships	1,290.35	15.18
Investment into entertainment technologies	645.17	7.59
General working capital requirements	1,290.35	15.18
Net proceeds from the Placement	6,451.75	75.90
Listing expenses to be borne by our Company	2,048.25	24.10
Gross proceeds from the Placement	8,500.00	100.00

WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

Our Company does not have a fixed dividend policy. Notwithstanding this, subject to the below, our Directors intend to recommend and distribute dividends of a up to of 30.0% of our net profit attributable to shareholders of the Company in respect of FY2024 and FY2025 (“**Proposed Dividends**”).

Refer to the section entitled “Dividend Policy” on pages 62 to 64 of the Offer Document.

Investors should note that all the foregoing statements, including the statements on the Proposed Dividends, are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) at our Directors’ sole and absolute discretion.

The form, frequency and amount of future dividends that our Directors may recommend or declare in respect of any particular financial year or period will be subject to any factors deemed relevant by our Directors.

DEFINITIONS

“Authority” or “MAS”	:	The Monetary Authority of Singapore
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“COMPASS”	:	Composers and Authors Society of Singapore Ltd
“Board” or “Board of Directors”	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
“CEO”	:	Chief Executive Officer
“Constitution”	:	The constitution of our Company, as amended, supplemented or modified from time to time
“Controlling Shareholder”	:	As defined in the Catalist Rules: (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over a Company
“COVID-19”	:	Coronavirus Disease 2019
“ECA” or “Sponsor and Issue Manager” or “Joint Placement Agent”	:	Evolve Capital Advisory Private Limited
“EPS”	:	Earnings per Share
“Executive Director(s)”	:	The executive Director(s) of our Company as at the date of this Offer Document, unless otherwise stated
“Executive Officers”	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“GIH2023”	:	Goodwill Investment Holdings 2023 Pte. Ltd.
“Hezong”	:	Hezong Pte. Ltd., a Singapore-incorporated company related to the Hezong group of companies (合纵文化集团)
“Joint Placement Agent” or “HTI”	:	Haitong International Securities (Singapore) Pte. Ltd.
“Independent Auditor and Reporting Accountant”	:	Foo Kon Tan LLP
“Joint Placement Agents”	:	ECA and HTI
“Latest Practicable Date” or “LPD”	:	16 September 2024, being the latest practicable date for the purposes of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
“Mengkim” or “Vendor”	:	Mengkim Holdings Pte. Ltd.
“MRSS”	:	Music Rights (Singapore) Public Limited
“NAV”	:	Net asset value
“Period Under Review”	:	The period which comprises FY2021, FY2022, FY2023 and 3M2024
“Placement”	:	The placement of the Placement Shares by the Joint Placement Agents on behalf of our Company for subscription of the Placement Shares at the Placement Price, subject to and on the terms and conditions of this Offer Document
“Placement Price”	:	S\$0.20 for each Placement Share
“Placement Shares”	:	The 60,000,000 Shares, comprising 42,500,000 New Shares and the 17,500,000 Vendor Shares, which are the subject of the Placement
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the share capital of our Company
“Shareholder(s)”	:	Registered shareholders of our Company, except where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

The Issuer	:	Goodwill Entertainment Holding Pte. Ltd. 33 Ubi Avenue 3, #05-16 Vertex, Singapore 408868 +65 6702 6200 http://www.goodwillsg.com / admin@goodwillsg.com
Information contained on our website does not constitute part of the Offer Document or this Product Highlights Sheet and should not be relied on.		
Sponsor, Issue Manager and Joint Placement Agent	:	Evolve Capital Advisory Private Limited 160 Robinson Road, #20-01/02 SBF Center, Singapore 068914
Joint Placement Agent	:	Haitong International Securities (Singapore) Pte. Ltd. 10 Collyer Quay, #19-01-#19-05 Ocean Financial Centre, Singapore 049315