



GS HOLDINGS LIMITED

GS Holdings Achieves Turnaround in 1H2019; Profit Surges to S\$7.2 Million in the First Half

- Revenue increased significantly by S\$10.8 million to S\$15.8 million in 1H2019, driven mainly by the BOP service agreements and F&B business activities
- Strengthened balance sheet with total assets increasing S\$20.0 million to S\$37.4 million as well as a larger equity base of S\$17.3 million as at 30 June 2019
- The Group's subsidiary has currently secured fourteen BOP service agreements with an aggregate quarterly contract sum of RMB 50 million
- Future plans include securing more BOP service agreements and the expansion of its F&B business with new F&B brands and franchise model

Financial Year End - 31 December

(S\$ million)	1H2019	1H2018
Revenue	15.8	5.0
Gross Profit	10.1	(0.2)
Profit / (loss)	7.2	(1.2)

SINGAPORE, 13 August 2019 – GS Holdings Limited (“GS Holdings” or the “Company” and together with its subsidiaries, the “Group”), is pleased to announce that it has achieved a turnaround in its half year financial results (“HY2019”) for the period ended 30 June 2019.

Other than specialising in providing end-to-end cleaning services for Singapore’s food and beverage (“F&B”) industry, GS Holdings Limited has expanded into the F&B market and in Singapore, it currently operates 3 food courts/food centres, 1 halal eating house and a chicken rice restaurant under the “Sin Swee Kee” brand name.

GS Holdings Limited’s subsidiary, Wish Hospitality Holdings Private Limited (“Wish”), provides branding management, operational support and central procurement (“BOP”) services to “healthy lifestyle centres” or “F&B” outlets in China by utilising GS Holdings’ experience in F&B industry and reputation.

Review of Financial Performance in HY2019

The Group’s revenue increased substantially by approximately S\$10.8 million from S\$5.0 million in 1H2018 to S\$15.8 million in 1H2019, which was principally attributable to the receipt of service fee from the 14 BOP service agreements entered into by Wish as well as the revenue generated by the Group’s F&B business under Hao Kou Wei Pte Ltd (“HKW”) (which was acquired on 1 April 2019).



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However, revenue contribution from the Group's dishware washing and cleaning business segment decreased by approximately S\$0.8 million from S\$5.0 million in 1H2018 to S\$4.2 million in 1H2019 as certain coffee shops did not renew the contracts, some of the lower margin contracts were dropped and one of the Group's key customers went into liquidation in early September 2018.

The Group's cost of sales increased by approximately S\$0.5 million from S\$5.2 million in 1H2018 to S\$5.7 million in 1H2019, which was mainly due to increased revenue and cost of sales incurred by HKW and Wish from April to June 2019 that amounted to S\$1.4 million.

Notably, cost of sales of the Group's dishware washing and cleaning business segment decreased by S\$0.9 million in 1H2019 with lower business activities and the streamlining exercises undertaken by the Group since 1H2018, which resulted in higher efficiency and productivity of this business segment.

Overall, the Group achieved a turnaround in its financial performance in 1H2019 with a net profit of S\$7.2 million, which marks its first positive financial performance since its IPO listing on January 2016.

With a net profit of S\$7.2 million and the issuance of new ordinary shares amounting to S\$11.3 million during 1H2019, the Group's total equity increased by S\$18.5 million from S\$0.5 million as at 31 December 2018 to S\$19.0 million as at 30 June 2019.

The Group's balance sheet further strengthened during 1H2019 as trade and other receivables increased substantially by S\$9.8 million, which was mainly attributable to the 14 BOP service agreements with an aggregate quarterly contract sum of RMB 50 million (approximately S\$10.0 million). And as announced on 11 July 2019, Company has received gross payment of RMB 30 million (approximately S\$6 million) from 8 BOP service agreements.

Commenting on the 1H2019 results, Mr Pang Pok, Executive Chairman and Chief Executive Officer of GS Holdings, said, *"Our first half results are a validation of our growth strategy to deliver higher margins and additional revenue streams"*.

Moving Ahead

With the encouraging progress of its BOP business segment, the Group is looking to secure more BOP service agreements with outlets secured by Henan Jufeel Technology Group Co., Ltd.'s ("Henan Jufeel") and/or its franchisees' outlets over the next 12 months.

To drive further growth and create new business opportunities, the Group will continue to pursue the expansion of its F&B business segment with the opening of more F&B outlets



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and the development of new F&B brands and concepts. To further enhance the growth of its F&B business segment, the Group will be undertaking a franchise model to sell franchise rights of its F&B brands, which includes Singapore's famous chicken rice brand "Sin Swee Kee", and concepts in local and overseas markets.

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This document is to be read in conjunction with GS Holdings' exchange filings on 13 August 2019, which can be downloaded via www.sgx.com.

Issued on behalf of GS Holdings Limited by 8PR Asia Pte Ltd.

Media & Investor Contacts:



Mr. Alex TAN
Mobile: +65 9451 5252
Email: alex.tan@8prasia.com

About GS Holdings Limited

(Bloomberg Code: GSHL:SP / Reuters Code: GSHO.SI / SGX Code: 43A)

With an aim to diversify its business model and create additional streams of income, GS Holdings Limited has expanded from its position as Singapore's leading centralised commercial dishware washing company.

Other than specialising in providing end-to-end cleaning services for Singapore's food and beverage ("F&B") industry, GS Holdings Limited has expanded into the F&B market and in Singapore, it currently operates 3 food courts/food centres located in Bukit Batok and Sungei Kadut Way as well as a halal eating house at Changi Village and a chicken rice restaurant under the "Sin Swee Kee" brand name.

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

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

The contact person for the Sponsor is Ms Joey Ko, Assistant Vice President, at 8 Anthony Road, #01- 01, Singapore 229957, telephone (65) 6590 6881.