GS HOLDINGS LIMITED

ANNUAL REPORT 2017

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PROXY FORM

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

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

The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

Corporate Profile

GS Holdings Limited is Singapore's leading centralised commercial dishware washing company that specialises in providing end-to-end cleaning services for Singapore's food and beverage ("F&B") industry.

We provide comprehensive and environmentally-friendly cleaning solutions that meet the manpower and cleaning needs of our customers. We are the leading dishware washing specialist in Singapore with ISO 22000: 2005 certification, Halal certifications, and Bizsafe Star. Our management team is backed by over 20 years of experience in the food and cleaning industries.

Supported by five strategically-located centralised dishware washing facilities, we serve a diversified range of customers ranging from F&B tenants located in shopping malls, food courts, coffee shops, restaurants, hawker centres, as well as a public tertiary hospital.

We are one of the service providers appointed by SPRING Singapore for the centralising or outsourcing of dishwashing facilities to F&B enterprises.

Our
Business

OUR VALUE PROPOSITION

A. END-TO-END CLEANING SOLUTIONS

GS Holdings provides turnkey centralised dishwashing and cleaning solutions. This encourages customers to outsource their cleaning needs entirely, allowing them to reduce reliance on manpower and focus on their core business goals, at the same time increasing revenue generating space. Through our services, customers also benefit from cost savings on utility bills, detergent and machines.

01 ON-SITE CLEANING AND STEWARDING SERVICES

02 CENTRALISED DISHWARE WASHING

03 SALE OF DISHWARE WASHING RELATED EQUIPMENT AND CONSUMABLES

04 CLEANING AND DISHWARE WASHING CONSULTANCY SERVICES

B. QUALITY-ASSURANCE

The Group is thoroughly committed to ensuring that our cleaning services comply with the highest quality standards. In line with this commitment, we have incorporated a scientific and systematic approach to ensure quality control of the highest level across all business processes.

Scientific and systematic approach to identify, prevent and reduce food-borne hazards

Processes Compliant With ISO Standards

Enforce high standard of hygiene and sanitation in accordance with NEA guidelines

Trained Quality Controllers and Packers

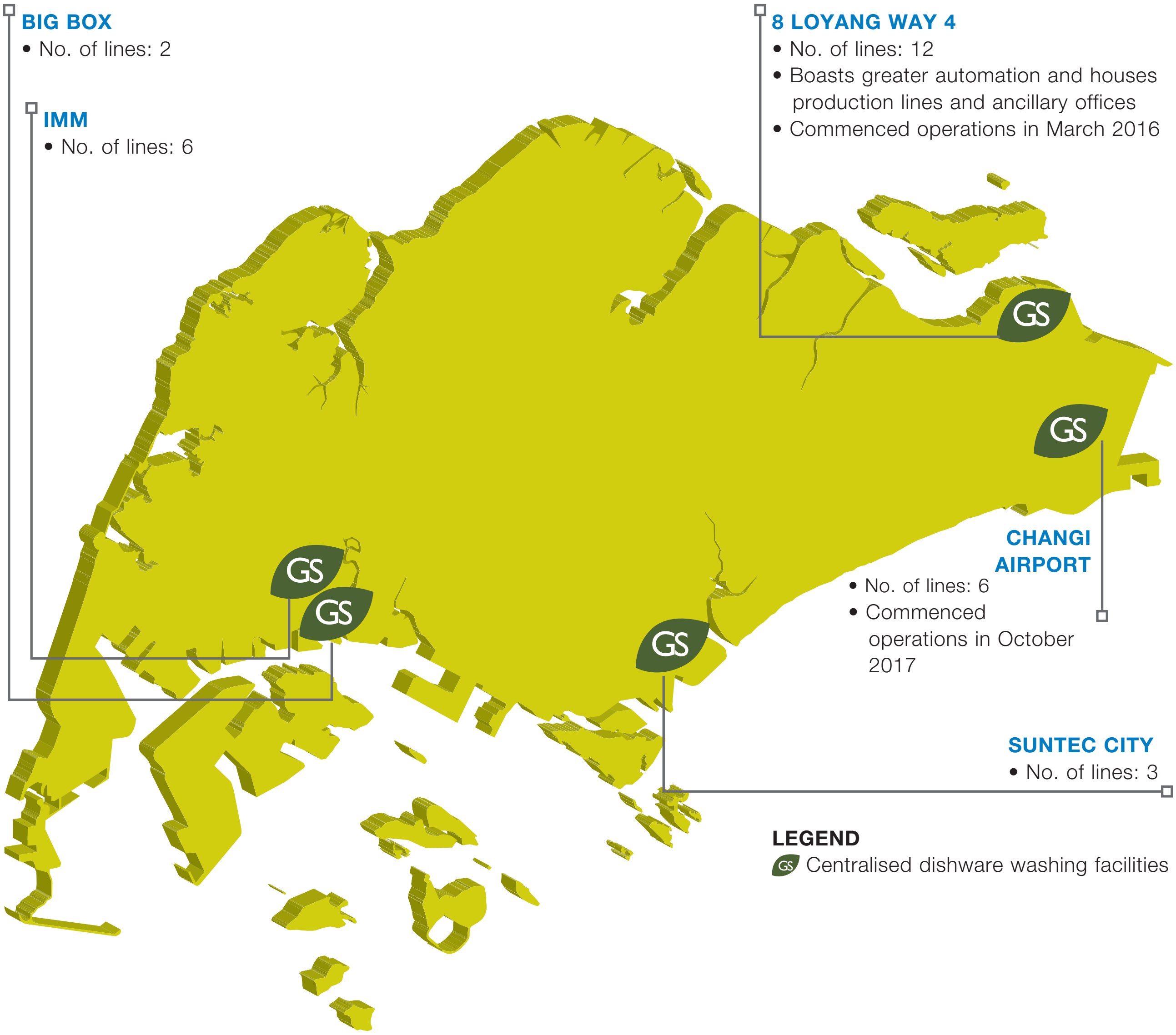
Maintain quality service standards by checking cleanliness / operating standards of equipment, staff and cleaned crockery and utensils

Weekly AccuClean® Sanitation Test

C. ISLAND-WIDE COVERAGE AND STRONG BUSINESS NETWORK

As at 31 December 2017, the Group had 5 centralised dishware washing facilities – 8 Loyang Way 4, IMM, Big Box, Suntec City and Changi Airport. These facilities are strategically-located to effectively cover the geographical expanse of our customers' locations.

The Loyang facility commenced operations in March 2016 and is the Group's largest facility, spanning an area of 4,500 sqm and equipped with production lines with improved automation for large-scale dishware washing. The Group's corporate offices are also located at this facility. Changi Airport facility commenced operations in October 2017 at Terminal 3 with an area of 890 sqm equipped with 6 dishwashing lines.



BIG BOX
- No. of lines: 2

IMM
- No. of lines: 6

8 LOYANG WAY 4
- No. of lines: 12
- Boasts greater automation and houses production lines and ancillary offices
- Commenced operations in March 2016

CHANGI AIRPORT
- No. of lines: 6
- Commenced operations in October 2017

SUNTEC CITY
- No. of lines: 3

LEGEND
GS Centralised dishware washing facilities

Chairman's Message

DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present to you GS Holdings Limited's Annual Report for the financial year ended 31 December 2017.

FINANCIAL PERFORMANCE

The Group reported a revenue of S$9.9 million in the financial year ended 31 December 2017 ("FY2017") as compared to S$9.2 million in the financial year ended 31 December 2016 ("FY2016"), an increase of 8% or S$0.7 million. The increase was mainly due to additional contracts secured from coffee shops. Despite the increase in revenue, the Group reported a loss after taxation of S$3.9 million for FY2017 as compared to a loss after taxation of S$2.0 million for FY2016. This was mainly due to the increase of cost of sales by approximately S$1.6 million or 17%, from S$9.3 million in FY2016 to S$10.9 million in FY2017 as a result of the following:–

(i) an increase in salary and foreign worker levy of S$1.2 million as there was an overall increase in foreign workers hired under the Government's Lean Enterprise Development (LED) scheme;

(ii) an increase in overhead cost of S$0.1 million such as utilities expenses and transportation;

(iii) an increase in depreciation expenses of approximately S$0.3 million. The aforementioned was mainly due to the facility set up at 8 Loyang Way 4 in March 2016.

Our administrative expenses in FY2017 were quite consistent with the administrative expenses incurred in FY2016, at approximately S$3.6 million.

Loss per share increased from 1.51 cents in FY2016 to 2.91 cents in FY2017. Net asset value per ordinary share stood at 2.4 cents as at 31 December 2017 as compared to 5.5 cents in the previous year.

The Group continues to maintain financial prudence and has lowered its borrowings as a result of loan repayments. This was partially offset by the new finance lease with lower interest rate. We remain committed to long-term sustainable growth and recognise that necessary investment with resulting margin pressures, need to be made in plant, machinery, equipment and manpower in order to ramp up our operations so as to be able to leverage on opportunities in the near horizon.

OPERATIONS HIGHLIGHTS

During the course of the year, we increased our headcount to cope with higher operational demands and new business contracts. We have also purchased new dishwashing equipment for the enhancement of our dishwashing operations. Coupled with aggressive sales and marketing plans during the year, we managed to secured higher sales during the year.

Aside from offering centralised dishwashing services for coffee shops, restaurants, food courts, hotels, convention centres and clubs, we also offer loan of crockery for banquets and big scale events. We have registered increased sales in this business particularly as the hotel and Meetings, Incentive Travel, Conventions & Exhibitions ("MICE") sector gained momentum during the year.

We have also commenced operations at the leased Centralised Dishwashing Facility at Changi Airport in October 2017. We have already begun marketing our services to the F&B tenants at the four terminals and have made notable progress in this respect.

BUSINESS OUTLOOK

It is anticipated that the economy in the coming year will register more moderate growth as compared to 2017. Nevertheless, we expect a pick-up in demand for our dishwashing, cleaning and related services for the hospitality and MICE sectors, given the strong pipeline of events and conventions which Singapore has secured and the optimistic prospects of the tourism sector. Furthermore, the forecasted growth in Changi Airport's passenger traffic with the airport's increased connectivity and opening of Jewel Changi Airport slated for 2019, places us in a strong position to augment our client base amongst the F&B and other outlets there. We have also begun to make significant inroads into coffee shops and food courts and will intensify our marketing efforts in this area.

In the longer term, the trend towards centralisation of cleaning services off-site and the push for greater productivity and lower reliance on foreign manpower by the government, improves our growth prospects. We are well-positioned to help companies remain competitive by streamlining their operations through the outsourcing of their non-core, labour intensive cleaning functions.

As Singapore makes strides towards becoming a smart nation, we will, likewise, take direction from national initiatives to adopt automation and other cutting-edge technology in order to remain competitive. With the ultimate goal of increasing returns to our stakeholders and the continued strength of the Group, we will ensure our readiness to compete in the future. We will continuously identifying and implementing measures to improve operational efficiencies.

The Group is also currently exploring and evaluating other business opportunities to complement its existing business so as to enhance shareholders' value in the long term.

DIVIDENDS

In view of the losses incurred during the year, the Board has not recommended any dividend for FY2017.

APPRECIATION

I would like to record my appreciation to the management and staff for their dedication and hard work, our business associates and customers for their support and our Board of Directors for their guidance and counsel.

To our shareholders, thank you for your continued belief in the Group. We will work hard for all of you to ensure the success of GS Holdings Limited.

PANG POK
Executive Chairman and Chief Executive Officer

Operations & Financial Review

FINANCIAL PERFORMANCE

The Group reported a revenue of S$9.9 million in the financial year ended 31 December 2017 ("FY2017") as compared to S$9.2 million in the financial year ended 31 December 2016 ("FY2016"), an increase of 8% or S$0.7 million. The increase was mainly due to additional contracts secured from coffee shops.

Our cost of sales increased by approximately S$1.6 million or 17%, from S$9.3 million in FY2016 to S$10.9 million in FY2017 mainly due to (i) an increase in salary and foreign worker levy of S$1.2 million as there was an overall increase in foreign workers hired under the Government's Lean Enterprise Development (LED) scheme; (ii) an increase in overhead cost of S$129,000 such as utilities expenses and transportation; (iii) an increase in depreciation expenses of approximately S$297,000. The aforementioned was mainly due to the new facility set up at 8 Loyang Way 4 in March 2016.

As a result of the increase in the cost of sales, we incurred a gross loss of approximately S$1.0 million in FY2017 as compared to a gross loss of S$0.08 million in FY2016.

Other income decreased by approximately S$1.0 million or 47%, mainly attributable to the absence of S$1.0 million forgiven by our Executive Chairman and Chief Executive Officer, Mr. Pang Pok, recognised in FY2016.

Our administrative expenses increased by approximately S$66,000 mainly due to (i) an increase in depreciation of the office fixtures and fittings in the Loyang facility of approximately S$95,000 and fair value loss on investment properties of S$221,000; (ii) an increase of S$101,000 in bad debts written-off; (iii) partially offset by a decrease in salaries and related expenses of S$240,000 arising from an overall decrease in senior executive headcount; (iv) absence of listing expenses of approximately of S$120,000 recognised in FY2016.

Our finance costs decreased by approximately S$28,000 or 6%, mainly due to the reducing balance of the outstanding term loans amount as a result of the repayments made in FY2017.

As a result of the above, the Group reported loss before tax of S$3.9 million in FY2017 as compared to loss before tax of S$1.9 million in FY2016.

FINANCIAL POSITION

NON-CURRENT ASSETS

Property, plant and equipment decreased by S$0.9 million was mainly due to the depreciation in property, plant and equipment of S$1.5 million and offset by the additions of dishwashing equipment amounting to S$0.6 million for the expansion of the Group's dishware washing operations.

Investment properties decreased by S$0.2 million was due to the fair value loss on investment properties.

CURRENT ASSETS

The decrease in inventories of S$0.08 million was mainly due to sales of crockeries to coffee shops.

Trade and other receivables increased by S$0.1 million as a result of an increase in trade receivables which is in line with higher revenues.

NON-CURRENT LIABILITIES

Non-current loans and borrowings decreased by S$0.6 million or 6.7% was mainly due to new finance lease of S$0.9 million for financing of machineries and motor vehicle and partially offset by the progressive repayment loans of S$1.5 million. The non-current portion of our loans and borrowings as at 31 December 2017 bore interest rates ranging from 1.9% to 9.6% per annum.

Amount due to a director increased by S$3.0 million was due to loans amounting to S$3.0 million received from our Executive Chairman and Chief Executive Officer, Mr. Pang Pok.

CURRENT LIABILITIES

Trade and other payables increased by S$0.1 million or 4% was mainly attributable to an increase in trade payables which is in line with the increase in cost of sales.

Current loans and borrowings decreased by S$0.04 million or 1%, due to new finance lease of S$0.3 million obtained for financing of machineries and motor vehicle purchased during the year and partially offset by progressive repayment of loans of S$0.3 million.

NEGATIVE WORKING CAPITAL

The Group had a negative working capital of approximately S$2.1 million as at 31 December 2017. The Executive Chairman and Chief Executive Officer of the Group, Mr Pang Pok, had on 27 Feb 2018 provided an irrevocable undertaking to the Company to provide an additional S$2.0 million interest-free shareholder loan on or before 31 March 2018 or as and when needed ("Additional SH's Loan"). Subsequent to the end of the financial year, Mr Pang Pok has provided interest free loans amounting to S$0.85 million to the Group for working capital purposes. Based on the management's internal cash flow projection as well as the Additional

SH's Loan, the Board is of the view that the Group is able to meet its obligations in the next 12 months.

The Group is also planning to raise additional capital to strengthen the Group's cash position and to mitigate any potential liquidity risk.

CASHFLOW

In FY2017, we recorded net cash used in operating activities of S$1.7 million as a result of loss incurred during the year.

In FY2017, we also recorded a net cash used in investing activities of S$0.3 million which was mainly due to the additions of dishwashing equipment for the expansion of the Group's dishware washing operations. The Group acquired property, plant and equipment with an aggregate cost of S$0.6 million of which S$0.3 million was financed by means of finance leases.

In FY2017, we recorded a net cash from financing activities of approximately S$1.7 million. This was mainly due to loan from director of S$3.0 million and proceeds from finance lease of S$0.9 million, partially offset by repayment of bank borrowings, finance lease and interest amounting to S$2.2 million.

Overall, the cash and cash equivalent of the Group decreased by S$0.3 million in FY2017 from S$1.1 million as at 31 December 2016 to S$0.8 million as at 31 December 2017.

OPERATIONS PERFORMANCE

The performance of FY2017 was markedly affected by the continuous competitive market environment resulting in the higher loss in FY2017. Competitors are undercutting prices to secure market share and to stay viable in their business operations. The tight labour market situation continued to prevail and we continue to face challenges to recruit locals. Therefore, there was an overall increase in salary and foreign worker levy.

In terms of revenue, we did better than previous year, mainly due to additional contracts secured from coffee shops.

We have commenced operations at the Changi Airport facility in October 2017. This facility presents an opportunity for us to provide centralised dishwashing services to the F&B outlets at all airport terminals and the upcoming Jewel Changi Airport.

We have also started the business of renting chinaware, glassware and flatware to hotels and event organizers. Other than providing additional income to the Group, this business allows us to provide additional services to our customers.

Board of Directors

PANG POK

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Pang Pok was appointed to the Board on 19 September 2014. He was last re-elected as a Director at the Annual General Meeting on 15 April 2016. Mr Pang Pok is responsible for the Group's overall management, including overseeing its operations, setting directions for new growth areas and developing business strategies. Mr Pang brings with him over 20 years of experience in the F&B industry and has led the expansion and innovation of our business and operations. He has been instrumental in our Group's growth, having founded four out of the five of our Group's companies, including GreatSolutions Pte. Ltd. in 2012, and having served since 1999 as a director on the board of Hawkerway Pte. Ltd.

Mr Pang was awarded the Public Service Medal by the Singapore President's Office in 2011 and the Long Service Award by the People's Association in 2013. He also serves as Assistant Treasurer of the Hainan Business Club, Honorary Deputy Treasurer of the Yuying Secondary School Management Committee, Vice Chairman of the Qinghai Association (Singapore) and Vice President of the Guang Wu Club.

LEE SAI SING

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr Lee Sai Sing was appointed to the Board on 3 March 2017. He was last re-elected as a Director at the Annual General Meeting on 28 April 2017. He is presently the Executive Director of Maxi-Harvest Group, which focuses on investments in South East Asia.

Mr Lee has extensive experience in investing in unlisted and listed Asian equities. He is also involved in advising corporations in restructurings, pre-initial public offerings and initial public offerings. Mr Lee had worked in the fund management industry for many years in major financial institutions like Government of Singapore Investment Corp, BNParibas Private Bank and Maybank-Kim Eng. He is currently an independent director of Maxi-Cash Financial Services Corporation Ltd.

Mr Lee graduated with a Bachelor degree in Applied Science (Computer Engineering) from Nanyang Technological University in 1995.

LEE DAH KHANG

Lead Independent Director

Mr Lee Dah Khang was appointed to our Board on 1 July 2016. He was last re-elected as a Director at the Annual General Meeting on 28 April 2017. Mr Lee has over 20 years of experience in providing external, internal audit and consultancy services.

Mr Lee is a director of Yang Lee Consulting Pte Ltd, a management consulting firm which he set up in 2005 that provides professional services on corporate risk advisory, internal audits, financial due diligence, accounting solutions and Pre-IPO advisory services. He serves a portfolio of companies listed on SGX-ST, multi-national companies, small and medium enterprises across a variety of industries. He is currently also the Lead Independent Director of LY Corporation Limited, a company listed on Catalist. Mr Lee had previously served as an Independent Director of Pteris Global Limited and Shinvest Holding Limited.

Mr Lee graduated with a Bachelor of Accountancy from Nanyang Technological University in June 1995. He is a fellow chartered accountant of the Institute of Singapore Chartered Accountants and a Certified Internal Auditor of the Institute of Internal Auditors. Mr Lee is also a practising management consultant of the Practising Management Consultant Certification Board.

CHUA KERN

INDEPENDENT DIRECTOR

Mr Chua Kern was appointed to the Board on 17 December 2015. He was last re-elected as a Director at the Annual General Meeting on 28 April 2017. Mr Chua has more than 18 years of experience in the legal industry, specialising in the areas of corporate finance, securities and capital markets and mergers and acquisitions. He is currently a director of Chancery Law Corporation, having co-founded the firm in 2005.

Mr Chua also advises companies listed on the Mainboard of the SGX-ST and on Catalist in respect of their corporate finance activities and other major corporate actions. Mr Chua had worked in Messrs Colin Ng & Partners LLP, Messrs KhattarWong LLP and Messrs Peter Chua & Partners. He is currently also an Independent Director of TLV Holdings Limited, a company listed on Catalist.

Mr Chua was admitted to the Supreme Court of Singapore as an Advocate and Solicitor in 1997. He obtained a Bachelor of Law (Honours) degree from the University of Bristol, United Kingdom, in 1995 and a Diploma in Singapore law from the National University of Singapore in 1996. He is a member of the Law Society of Singapore and the Singapore Academy of Law.

CHOW KEK TONG

INDEPENDENT DIRECTOR

Mr Chow Kek Tong was appointed to the Board on 17 December 2015. He was last re-elected as a Director at the Annual General Meeting on 15 April 2016. Mr Chow has over 20 years of relevant experience in finance and audit work, having held senior positions in several publicly-listed companies including Hong Kong-listed Starlite Holdings, Malaysia-listed Innovest Holdings, and SGX Mainboard-listed Flextech Holdings Ltd.

Mr Chow currently runs a business consultancy firm, Nizhoni Investment Pte. Ltd.

Mr Chow studied professional courses in accountancy with the North East London Polytechnic and Financial Training Institute, London, and has been an associate member of the Institute of Chartered Accountants England & Wales since 1983.

Awards & Accreditation

ISO 22000: 2005 certification

- Demonstrates commitment to stringent food safety standards

Halal certification

HALAL
SINGAPORE

- A competitive advantage which lays the foundation for future business expansion to widen customer base

bizSAFE
STAR

Highest qualification that can be attained in the BizSAFE programme

- Strong endorsement of the Group's focus in health, safety and environmental management systems

CERTIFICATION INTERNATIONAL
SS 506 Part 1:2009
BS OHSAS 18001:2007
Cert No: CIS/1005870

OHSAS 18001:2007

- Strong endorsement of the Group's focus in health, safety and environmental management systems

Clean Mark Silver

- In relation to cleaning services in the conservancy/ public areas, commercial premises and food and beverage establishments sectors

Corporate Information

BOARD OF DIRECTORS

PANG POK	Executive Chairman, Chief Executive Officer
LEE SAI SING	Non-Independent and Non-Executive Director
LEE DAH KHANG	Lead Independent Director
CHUA KERN	Independent Director
CHOW KEK TONG	Independent Director

AUDIT AND RISK COMMITTEE

LEE DAH KHANG *(Chairman)*
CHUA KERN
CHOW KEK TONG

NOMINATING COMMITTEE

CHUA KERN *(Chairman)*
CHOW KEK TONG
LEE DAH KHANG

REMUNERATION COMMITTEE

CHOW KEK TONG *(Chairman)*
LEE DAH KHANG
CHUA KERN

COMPANY SECRETARY

SIN CHEE MEI

REGISTERED OFFICE

8 Loyang Way 4
Singapore 507604

PRINCIPAL PLACE OF BUSINESS

8 Loyang Way 4
Singapore 507604

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

RHT CORPORATE ADVISORY PTE. LTD.
9 Raffles Place #29-01
Republic Plaza Tower 1
Singapore 048619

INDEPENDENT AUDITORS

BAKER TILLY TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge:
Mr Ong Kian Guan
(Date of appointment: Since financial year ended 31 December 2015)

PRINCIPAL BANKER

DBS BANK LTD.
12 Marina Boulevard
Tower 3 Marina Bay Financial Centre
Singapore 018982

SPONSOR

UOB KAY HIAN PRIVATE LIMITED
8 Anthony Road #01-01
Singapore 229957

Corporate Governance

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the "**Board**") of GS Holdings Limited (the "Company" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company's corporate governance structures and practices that were in place during the financial year ended 31 December 2017 ("**FY2017**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

The Board and Management have taken step to align the governance framework with the recommendations of the Code, where applicable, and where deviations from the Code, appropriate explanations are provided.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2017.
BOARD MATTERS		
The Board's Conduct of Affairs		
1.1	What is the role of the Board?	Currently, the Board has five (5) Directors, three of whom are Independent Directors. The Directors of the company as at the date of this statement are:–

Table 1.1 – Composition of the Board

Name of Director	Designation
Pang Pok	Executive Chairman and Chief Executive Officer
Foo Sek Kuan (resigned on 30 September 2017)	Executive Director and Chief Financial Officer
Lee Dah Khang	Lead Independent Director
Chua Kern	Independent Director
Chow Kek Tong	Independent Director
Lee Sai Sing	Non-Independent and Non-Executive Director

Corporate Governance

		The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions are: • supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic objectives and direction; • overseeing the process for evaluating the adequacy of internal control, risk management, financial reporting and compliance; • reviewing the performance of management and overseeing succession planning for management; • setting the Company's value and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and • providing guidances on the overall corporate governance of the Company.
1.2	All directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the company.	All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.
1.3	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	Board Committees, namely the Audit and Risk Committee (the ("**ARC**"), the Remuneration Committee (the "**RC**"), the Nominating Committee (the "**NC**") (collectively the "**Board Committees**") have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference. The terms of references are reviewed on a regular basis to ensure its continued relevance. The compositions of the Board Committees are as follows:

	ARC	**NC**	**RC**
Chairman	Lee Dah Khang	Chua Kern	Chow Kek Tong
Member	Chua Kern	Lee Dah Khang	Lee Dah Khang
Member	Chow Kek Tong	Chow Kek Tong	Chua Kern

Corporate Governance

<table>
<tr>
<td>1.4</td>
<td>Have the Board and Board Committees met in the last financial year?</td>
<td>
<p>The Board meets quarterly and more often when required to address any specific significant matters may arise.</p>
<p>The Company's Constitution (the "Constitution") allow for meetings to be held through audio visual communication equipment. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.</p>
<p>The Board met five times in FY2017. The number of Board and Board Committee meetings held and the attendance of each board member at the meetings for FY2017 are as follows:–</p>
<table>
<tr><th></th><th colspan="2">Board</th><th colspan="2">ARC</th><th colspan="2">NC</th><th colspan="2">RC</th></tr>
<tr><th>Name of Director</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th><th>No. of Meetings Held</th><th>No. of Meetings Attended</th></tr>
<tr><td>Pang Pok</td><td>5</td><td>5</td><td>4</td><td>NA</td><td>1</td><td>NA</td><td>1</td><td>NA</td></tr>
<tr><td>Foo Sek Kuan#</td><td>5</td><td>4</td><td>4</td><td>NA</td><td>1</td><td>NA</td><td>1</td><td>NA</td></tr>
<tr><td>Lee Dah Khang</td><td>5</td><td>5</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Chua Kern</td><td>5</td><td>5</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Chow Kek Tong</td><td>5</td><td>5</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Lee Sai Sing*</td><td>5</td><td>4</td><td>4</td><td>NA</td><td>1</td><td>NA</td><td>1</td><td>NA</td></tr>
</table>
<p>* Mr Lee Sai Sing was appointed as Non Independent Non-Executive Director of the Company on 3 March 2017.</p>
<p># Mr Foo Sek Kuan resigned as Executive Director of the Company on 30 September 2017.</p>
</td>
</tr>
<tr>
<td>1.5</td>
<td>What are the types of material transactions which require approval from the Board?</td>
<td>
<p>Matters that require the Board's approval include, amongst others, the following:</p>

approval of the Group's strategic objectives;
changes relating to the Group's capital structure including reduction of capital, share issues and share buy backs;
major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals;
approval of the interim and full year results announcements and release of annual reports;
approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend;
approval of material investments, divestments or capital expenditure;
approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting including approval of all circulars, prospectuses, etc; and
any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

</td>
</tr>
</table>

Corporate Governance

1.6	(a) Are new Directors given formal training? If not, please explain why.	The Company ensures that incoming new Directors are given guidance and orientation including onsite visits to get them familiarised with the Group's businesses, organisation structure, corporate strategies and policies and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties. For new Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend training courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	All Directors are updated regularly on any new developments in regulatory, legal and accounting frameworks that are of relevance to the Group through participation in training courses, seminars and workshops, at the Company's expense. The Directors were briefed by the External Auditors ("**EA**") on changes and amendments to the Singapore Financial Reporting Standards. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. Directors are also informed of upcoming conferences and seminars relevant to their roles as directors of the Company. The Board is briefed by EA on recent changes to the accounting standards and regulatory updates on a half yearly basis. The Chief Executive Officer ("**CEO**") updates the Board at each meeting on business and strategic developments of the Group.
1.7	Upon appointment of each director, has the Company provided a formal letter to the director, setting out the director's duties and obligations?	A formal letter of appointment is provided to every new Director, setting out his duties and obligations.

Corporate Governance

Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	In view that the Executive Chairman is part of the management team and is not an independent director, Guidelines 2.1 and 2.2 of the Code are met as the Independent Directors make up half of the Board. Mr Lee Dah Khang was also appointed as the Lead Independent Director of the Company pursuant to Guideline 3.3 of the Code and makes himself available to shareholders at the Company's general meetings. The criterion of independence is based on the guidelines stated in the Code. The Board considers an "Independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. The independence of the Independent Director is subject to the NC's review annually, based on the guidelines stated in the Code, in particular the rigorous review on the continued independence of Independent Directors who have served for more than nine (9) years from the date of their first appointment. The Board determined that the Independent Directors remained independent in character and judgment, and that there were no relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The Board is of the opinion that their length of service has not, in anyway, affected their independence. The Board is able to exercise objective judgement independently from Management and no individual or small group of individuals dominate the decisions of the Board.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The independence of each director is assessed and reviewed annually by the NC in accordance with the Code. The Independent Directors, Mr Chua Kern, Mr Chow Kek Tong and Mr Lee Dah Khang, had confirmed their independence in accordance with the Code.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	The Independent Directors do not have any relationship as stated in the Code that would otherwise deem him not to be independent.

Corporate Governance

2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	None of the Independent Directors on the Board serves for a period exceeding nine years from the date of his first appointment.
2.5	Has the Board examine its size and decide on what it considers an appropriate size for the Board, which facilitates effective decision making?	Taking into account the nature and scope of the Group's business, in concurrence with the NC, the Board believes that its current size and composition provide sufficient diversity without interfering with efficient decision making.
2.6	(a) What is the Board's policy with regard to diversity in identifying Director nominees? (b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with core competencies such as accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management. The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Table 2.6 – Balance and Diversity of the Board

	Number of Directors	**Proportion of Board (%)**
Core Competencies		
– Accounting or finance	3	60
– Business management	5	100
– Legal or corporate governance	4	80
– Relevant industry knowledge or experience	2	40
– Strategic planning experience	5	100
– Customer based experience or knowledge	2	40
Gender		
– Male	5	100
– Female	0	0

Corporate Governance

	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	The Board has adopted the following steps to maintain or enhance its balance and diversity: • Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary to enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.
2.7	How have the Non-Executive Directors: (a) constructively challenge and help develop proposals on strategy; and (b) review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance?	The Non-Executive Directors are kept well informed of the Group's business and are knowledgeable about the industry the Group operates in. To ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their oversight functions effectively.
2.8 3.4	Have the Non-Executive Directors (including Independent Directors) met in the absence of key management personnel in the last financial year?	The Non-Executive Directors discuss and/or meet on a need-basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. The Non-Executive Directors had held periodic conference calls and/or meetings in the absence of key management personnel in FY2017.

Corporate Governance

Chairman and Chief Executive Officer		
3.1 3.2	Are the duties between Chairman of the Board and CEO segregated?	Mr Pang Pok is the Executive Chairman and CEO of the Company. He is responsible for our Group's overall management, including overseeing our operations, setting directions for new growth areas and developing business strategies. Mr Pang Pok plays an instrumental role in developing the business of the Group and has provided the Group with strong leadership and vision. It is hence the view of the Board that it is currently in the best interests of the Group to adopt a single leadership structure. The Executive Chairman and CEO remains involved in significant corporate matters, especially those of strategic nature. In addition, he is responsible for the effective function of the Board and exercise control over the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board, and in ensuring compliance with the guidelines set out in the Code. Taking into account the size, scope and nature of the operations of the Group, the roles of the Executive Chairman and CEO are not separated as the Board is of the view that there is adequate accountability and transparency within the Group. The Board is also of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. All the Board Committees are chaired by Independent Directors and more than half of the Board consists of Independent Directors. To promote a high standard of corporate governance, Mr Lee Dah Khang had been appointed as the Lead Independent Director. As the Lead Independent Director, he shall be available to the shareholders where they have concerns which contact through normal channels of the Executive Chairman and CEO or the Management has failed to resolved or for which such contact is inappropriate.

Corporate Governance

Board Membership		
4.1 4.2	What are the duties of the NC?	The NC holds at least one (1) meeting in each financial year. The NC is guided by key terms of reference as follows: (a) recommend to the Board on board appointments, including re-nominations of existing directors for re-election in accordance with our Constitution, taking into account the director's contribution and performance; (b) review and approve any new employment of related persons and proposed terms of their employment; (c) determine on an annual basis, and as and when circumstances require, whether or not a director of our Company is independent; (d) in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments; (e) recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards and the maximum number of listed company board representations which any Director may hold; (f) decide whether or not the Director is able to and has been adequately carrying his duties as a Director of the Company; (g) develop a process for evaluation of the performance of the Board, its committees and the Directors and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value;

Corporate Governance

		(h) if an external facilitator has been used in assessing the effectiveness of the Board, its board committees and each director, ensure that existing relationships, if any, between the Company and its appointed facilitator will not affect the independence and objectivity of the facilitator; (i) review the succession plans for Directors and key executives; and (j) review training and professional development programmes for our Board.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?	The Board has not determined the maximum number of listed company board representations each Director may hold.
	(b) If a maximum has not been determined, what are the reasons?	The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments, and not guided by a numerical limit. Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company taking into consideration time and resources allocated to the affairs of the Company. The NC is of the view that all the Directors are able to devote to the Company's affairs in light of their other commitments. The Board also notes that currently, none of the Directors hold more than three board representations in listed companies.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; and • Nature, scope and size of the Group's operations.
	(d) Have the Directors adequately discharged their duties?	The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2017.
4.5	Are there alternate Directors?	The Company does not have any alternate directors.

<table>
<tr>
<td>4.6</td>
<td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td>
<td>
<table>
<tr><th colspan="3"><i>Table 4.6(a) – Process for the Selection and Appointment of New Directors</i></th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
<table>
<tr><th colspan="3"><i>Table 4.6(b) – Process for the Re-electing Incumbent Directors</i></th></tr>
<tr><td rowspan="2">1.</td><td rowspan="2">Assessment of director</td><td>• The NC would access the contributions and performance of the Director in accordance with the performance criteria set by the Board; and</td></tr>
<tr><td>• The NC would also review the range of expertise, skills and attributes of current Board members and consider the current needs of the Board.</td></tr>
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Corporate Governance

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<tr>
<td>2.</td>
<td>Re-appointment of director</td>
<td>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td>
</tr>
<tr>
<td></td>
<td colspan="2">All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Article 113 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation and be eligible for re-election at the Company's Annual General Meeting ("AGM"). Pursuant to the one-third rotation rule, Messrs Pang Pok and Chow Kek Tong will retire at the forthcoming AGM, and the retiring Directors have offered themselves for re-election at the forthcoming AGM. The Board has accepted the recommendation of the NC.

In making the recommendations, the NC had considered the Directors' overall contribution and performance.

Mr Pang Pok will, upon re-election as a Director, remain as the Executive Chairman and Chief Executive Officer.

Mr Chow Kek Tong will, upon re-election as a Director, remain as the Chairman of the RC and a member of the ARC and NC.

Mr Pang Pok is a controlling shareholder of the Company and is interested in 59.29% of the Company's shares.</td>
</tr>
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</td>
</tr>
</table>

Corporate Governance

4.7	Please provide the following key information regarding the Directors'. • Academic and professional qualifications • Shareholding in the Company and its related corporation • Board Committees served on (as a member or chairman), date of first appointment and last re-appointment as a Director; • Directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments; • Indicate which Directors are executive, non-executive or considered by the NC to be independent; and • The names of the Directors submitted for appointment or re-appointment should also be accompanied by such details and information to enable shareholders to make informed decisions.	The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out on pages 8 to 9 of this annual report. The shareholdings of the individual directors of the Company are set out on page 47. None of the directors hold shares in the subsidiaries of the Company. Directors who are seeking re-appointment at the forthcoming AGM to be held on 26 April 2018 are stated in the Notice of AGM set out on pages 103 to 107 of this annual report.

Corporate Governance

<table>
<tr><th colspan="3">Board Performance</th></tr>
<tr><td>5.1
5.2
5.3</td><td>What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board?</td><td>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:
<table>
<tr><th colspan="3"><i>Table 5</i></th></tr>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th><th>Individual Directors</th></tr>
<tr><td>Qualitative</td><td>1. Size and composition
2. Conduct of Meetings
3. Access to information
4. Board processes and accountability
5. Strategic planning
6. Risk management and Internal Control
7. CEO Performance/ Succession Planning
8. Compensation
9. Communication with shareholders</td><td>1. Commitment of time
2. Candour
3. Participation
4. Knowledge and abilities
5. Teamwork
6. Independence
7. Overall effectiveness</td></tr>
<tr><td>Quantitative</td><td>1. Measuring and monitoring performance
2. Financial Reporting</td><td>1. Attendance at Board and Board Committee meetings</td></tr>
</table></td></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The NC conducts annual assessment to evaluate the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board. The assessment is conducted using a questionnaire designed to assess the performance of the Board and each individual Director based on the performance criteria set out in Table 5 above. Such performance will be evaluated by each Director and the findings are collated for the final review by the Nominating Committee and Board.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, the Board Committees and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives in FY2017. The Board is of the view that the Board has been effective as a whole and that each and every director has contributed to the effective functioning of the Board.</td></tr>
</table>

Corporate Governance

Access to Information		
6.1 6.2 10.3	What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	***Table 6 – Types of information provided by key management personnel to Independent Directors*** (see table below) Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.
6.3 6.4	What is the role of the Company Secretary?	The roles of the Company Secretary are as follows: • assist the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings; • administer and attend all Board and Board Committees meetings of the Company and prepares minutes of meetings; • ensure that Board procedures are observed and that applicable rules are complied with; and • advise the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value; • assist the Chairman in ensuring good information flows within the Board and its Board Committees. The appointment and the removal of the Company Secretary are subject to the approval of the Board. Where the Directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary may assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.

Table 6 – Types of information provided by key management personnel to Independent Directors

	Information	**Frequency**
1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Quarterly
2.	Updates to the Group's operations and the markets in which the Group operates in	Quarterly
3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis)	Quarterly
4.	Reports on on-going or planned corporate actions	Quarterly
5.	Enterprise risk framework and internal auditors' ("**IA**") report(s)	Yearly
6.	Shareholding statistics	Yearly
7.	EA' report(s)	Yearly

Corporate Governance

REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1 7.2 7.4	What is the role of the RC?	The RC is guided by key terms of reference as follows: (a) review and recommend to the Board a framework of remuneration for each Executive Director and key management personnel and determine specific remuneration packages for each Executive Director and key management personnel; (b) review annually the remuneration packages of the employees who are related to any of the Directors or any substantial shareholder of the Company; (c) review all aspect of remuneration Board and key management personnel, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind; (d) review the design of all long-term and short-term incentive plans including option plans, stock plans and/or other equity based plans that the Group proposes to implement and oversee the administration of GS Holdings Employee Share Option Scheme (the "**GS Holdings ESOS**") and GS Holdings Performance Share Plan ("**GS Holdings PSP**"); (e) review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; (f) Consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to each key management personnel; and (g) seek expert advice inside the Company and/or outside professional advice on remuneration of all directors and to ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants.
7.3	Were remuneration consultants engaged in the last financial year?	The RC may seek advice on the remuneration of all Directors from external remuneration consultants as and when it deems necessary. The RC has not engaged any external remuneration consultant to advise on remuneration matters in FY2017.

Corporate Governance

Level and Mix of Remuneration		
8.1	What are the measures for assessing the performance of executive directors and key management personnel?	In determining the level of remuneration, the RC shall: • give due consideration to the Code's principles and guidance notes on the level and mix of remuneration so as to ensure that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully; • ensure that a proportion of the remuneration is linked to corporate and individual's performance; and • design remuneration packages in such manner as to align interest of executive director and key management personnel with those of shareholders. Annual review is carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel commensurate with the Company's and their performances, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO is reviewed periodically by the RC and the Board.
8.2	Are there long-term incentive schemes for Executive Directors and key management personnel?	The Company has adopted the GS Holdings ESOS and GS Holdings PSP since 17 December 2015. The GS Holdings ESOS serves as a long-term incentive scheme for the Directors and employees of the Company. The GS Holdings PSP serves to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance and to align the interests of Directors with the interests of shareholders. Both GS Holdings ESOS and GS Holdings PSP are administered by the RC comprising three directors, Chow Kek Tong, Lee Dah Khang and Chua Kern. The Chairman of the RC is Chow Kek Tong.
8.3	How is the remuneration for Non-Executive Directors determined?	The Board concurred with the RC that the proposed directors' fees for the year ending 31 December 2018 is appropriate and that all the directors receive directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees (if any), as well as the responsibilities and obligations of the Directors. Each of the Directors will receive his directors' fees in cash. The Company recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive to the extent that their independence might be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

Corporate Governance

<table>
<tr><td>8.4</td><td>Are there any contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company?</td><td>Having reviewed and considered the variable components of the Executive Director and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.</td></tr>
<tr><td colspan="3">Disclosure on Remuneration</td></tr>
<tr><td>9</td><td>What is the Company's remuneration policy?</td><td>The Company's remuneration policy is one that seeks to attract, retain and motivate employees to achieve the Company's long-term growth and prosperity and to create value for our shareholders. The Company believes in aligning its level and structure of remuneration with the interest of shareholders to promote the long-term success of the Company. To initiate this, the GS Holdings ESOS and GS Holdings PSP have been adopted to link rewards to eligible employees and Directors, especially key executives based on corporate and individual performance and align their interests with those of shareholders.</td></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Directors for FY2017 is as follows:

<table>
<tr><td colspan="6"><i>Table 9 – Directors' Remuneration</i></td></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Directors Fees (%)</th><th>Total (%)</th></tr>
<tr><td>Below S$250,000</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Pang Pok</td><td>86</td><td>–</td><td>–</td><td>14</td><td>100</td></tr>
<tr><td>Foo Sek Kuan[#]</td><td>76</td><td>–</td><td>–</td><td>24</td><td>100</td></tr>
<tr><td>Lee Dah Khang</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
<tr><td>Chua Kern</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
<tr><td>Chow Kek Tong</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
<tr><td>Lee Sai Sing[*]</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
</table>

[#] Mr Foo Sek Kuan resigned as Executive Director and Chief Financial Officer of the Company on 30 September 2017.
[*] Mr Lee Sai Sing was appointed as Non-Independent Non-Executive Director on 3 March 2017.

The above remuneration for FY2017 has been pro-rated according to their date of appointment or date of resignation (where applicable).

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.

There are no termination, retirement, post-employment benefits that may be granted to the Directors, save for the standard contractual notice period termination payment in lieu of service.</td></tr>
</table>

<table>
<tr><td rowspan="2">9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>
<p>The Company only had 3 top key management personnel in FY2017.</p>
<p>The breakdown for the remuneration of the Company's top 3 key management personnel (who are not Directors or the CEO) for FY2017 is as follows:</p>
<p>Table 9.3 – Remuneration of Key Management Personnel</p>
<table>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td>Below S$250,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Phang Boon Chin Aren[#]</td><td>94</td><td>-</td><td>6</td><td>100</td></tr>
<tr><td>Raymond Ang Onn Hwee[*]</td><td>93</td><td>-</td><td>7</td><td>100</td></tr>
<tr><td>Tung Juh Ing[^]</td><td>97</td><td>2</td><td>1</td><td>100</td></tr>
</table>
<p>[#] Mr Phang Boon Chin Aren resigned as Head (Food and Beverage Division) of the Company on 10 March 2018.
[*] Mr Raymond Ang Onn Hwee was appointed as Group General Manager of the Company on 10 July 2017.
[^] Ms Tung Juh Ing resigned as Finance Manager of the Company on 7 March 2018.</p>
<p>The above remuneration for FY2017 has been pro-rated according to their date of appointment or date of resignation (where applicable).</p>
<p>There are no termination, retirement, post-employment benefits that may be granted to the top 3 key management personnel, save for the standard contractual notice period termination payment in lieu of service.</p>
</td></tr>
<tr><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the top 3 key management personnel for FY2017 was S$239,987.</td></tr>
<tr><td>9.4</td><td>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>
<p>Save for the following, there was no other employee of the Group who was an immediate family member of a Director or the CEO with remuneration exceeding S$50,000.</p>
<p>Table 9.4 – Remuneration of Employees who are immediate family members of a Director</p>
<table>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td>$50,000 to $99,999</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Pang Yiling Eliss(1)</td><td>87</td><td>-</td><td>13</td><td>100</td></tr>
</table>
<p>(1) Daughter of Pang Pok, Executive Chairman and CEO.</p>
</td></tr>
</table>

Corporate Governance

<table>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>The Company has adopted the GS Holdings ESOS and the GS Holdings PSP. The GS Holdings ESOS and the GS Holdings PSP will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The GS Holdings ESOS and the GS Holdings PSP form an integral component of our compensation plan and are designed to primarily reward and retain Directors and employees whose services are vital to the growth and performance of our Company and/or our Group. Since the adoption of the GS Holdings ESOS and the GS Holdings PSP, no option and/or awards have been granted under the GS Holdings ESOS and the GS Holdings PSP respectively.</td></tr>
<tr><td rowspan="2">9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2017. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.</td></tr>
<tr><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><td colspan="3"><i>Table 9.6(b)</i></td></tr>
<tr><td>Performance Conditions</td><td>Short-term Incentives
(such as performance bonus)</td><td>Long-term Incentives
(such as the ESOS & PSP)</td></tr>
<tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork</td></tr>
<tr><td>Quantitative</td><td>1. Profit before tax of the Group</td><td>1. Profit before tax of the Group</td></tr>
</table></td></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Not all the performance conditions were met as the Group was not profitable in FY2017 due to the increase in cost of sales and keen competition in the industry.</td></tr>
</table>

Corporate Governance

ACCOUNTABILITY AND AUDIT		
Accountability		
10.1 10.2	The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.	The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board strives to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects. The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, where appropriate. The Board in consultation with management will request for management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control. Management provides appropriately detailed management accounts of the Group's performance on a quarterly basis to the Board to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. As and when circumstances arise, the Board can request management to provide any necessary explanation and/or information on the management accounts of the Group.
Risk Management and Internal Controls		
11.1	The Board should determine the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.	The Board oversees management in the area of risk management and internal control system. The Board regularly reviews and improves the Company's business and operational activities to identify areas of significant risks as well as take appropriate measures to control and mitigate these risks. Management highlights and discusses (if any) salient risk management matters to the Board on a quarterly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks.

Corporate Governance

11.2 11.4	The Board should, at least annually, review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such review can be carried out internally or with the assistance of any competent third parties.	The ARC evaluates the findings of the IA and EA on the Group's internal controls annually. Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. Based on the internal controls established and maintained, work performed by the IA and EA, and reviews performed by management and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that the internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, were adequate and effective as of 31 December 2017 after considering the needs of the Group in its current business development. The Board has also received assurance from the CEO and Head of Finance that: (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems including financial, operational, compliance and information technology controls, and risk management systems are effective and adequate. In assessing the need to establish a separate risk committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Board after having discussed with the members of the ARC and the Board members, resolved that the function of the risk committee is best carried out by the ARC and in this connection in line with its enhanced role, the Audit Committee had been renamed ARC in FY2017.

Corporate Governance

11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as of 31 December 2017 after considering the needs of the Group in its current business development. The basis for the Board's view are as follows: 1. Assurance has been received from the CEO and Head of Finance (refer to Section 11.3(b) below); 2. An internal audit has been done by the IA and significant matters highlighted to the ARC and key management personnel were appropriately addressed; 3. An external audit was performed by the EA and control gaps in financial controls were highlighted to the ARC and key management personnel were appropriately addressed; 4. Key management personnel regularly evaluates, monitors and reports to the ARC on material risks; and 5. Discussions were held between the ARC and auditors in the absence of the key management personnel to review and address any potential concerns. The Company will establish a corporate social responsibilities policy with the implementation of appropriate policies and programmes. The Company is in the process of establishing a formal policy as guided by the Global Reporting Initiative ("GRI") Standards: Core option, covering key areas of Sustainability Reporting ("**SR**") including the composition of the SR Committee, reporting structure and responsibilities, reporting processes, materiality assessment and performance tracking. Once established, the Company will compile and prepare its inaugural sustainability report which will be published on a standalone basis by 31 December 2018.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the Chief Financial Officer as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the CEO and Head of Finance in respect of FY2017. The Board has relied on the EA's report as set out in this annual report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances. The Board has additionally relied on IA's reports issued to the Company for FY2017 as assurance that the Company's risk management and internal control systems are effective and adequate.

Corporate Governance

Audit and Risk Committee		
12.1 12.3 12.4	What is the role of the ARC?	The ARC was tasked by the Board to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies. The duties and roles of the ARC is guided by the following key terms of reference: (a) assist the Board in discharge of its responsibilities on financial reporting matters; (b) review, with the EA and IA, the audit plans, scope of work, their evaluation of the system of internal accounting controls including financial, operational, compliance and information technology controls and risk management, their management letter and our management's response, and results of our audits compiled by the EA and IA; (c) review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements; (d) review the effectiveness and adequacy of the internal control and procedures, addressing financial, operational, compliance and information technology risks and ensure co-ordination between IA and EA, and the management, review the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary); (e) review the scope and results of the external audit, and the independence and objectivity of the EA; (f) review and discuss with the EA any suspected fraud or irregularity, of suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response; (g) make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the EA, and approving the remuneration and terms of engagement of the EA;

Corporate Governance

		(h) review significant financial reporting issues and judgments with the Head of Finance and the EA so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board; (i) review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Head of Finance and the IA and EA, including financial, operation, compliance and information technology controls via reviews carried out by the IA; (j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any); (k) review any potential conflicts of interest; (l) review and approve all hedging policies and instruments (if any) to be implemented by the Group; (m) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARC; (n) review and establish procedures for receipt, retention and treatment of complaints received by the Group such as criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; (o) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and (p) generally undertake such other functions and duties as may be required by statute or the Catalist Rule, and by such amendments made thereto from time to time.
12.2	Are the members of the ARC appropriately qualified to discharge its responsibilities?	The ARC has at least two members, including the ARC Chairman, who have recent and relevant accounting and related financial management expertise and experience.
12.5	Has the ARC met with the auditors in the absence of key management personnel?	Yes, the ARC meets with the EA at least once a year in the absence of key management personnel to review any matter that might be raised.

Corporate Governance

<table>
<tr><td>12.6</td><td>Has the ARC reviewed the independence of the EA?</td><td>The ARC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.</td></tr>
<tr><td></td><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td><table>
<tr><th colspan="3"><i>Table 12.6(a) – Fees Paid/Payable to the EA for FY2017</i></th></tr>
<tr><th></th><th>S$</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>80,000</td><td>83</td></tr>
<tr><td>Non-audit fees
– Tax compliance</td><td>16,800</td><td>17</td></tr>
<tr><td>Total</td><td>96,800</td><td>100</td></tr>
</table></td></tr>
<tr><td></td><td>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the ARC's view on the independence of the EA.</td><td>The ARC has reviewed the independence of the EA annually. The ARC has conducted an annual review of the volume of non-audit services provided by the EA to satisfy the ARC that the nature and extent of such services will not prejudice the independence of the EA. The ARC is satisfied with the EA's confirmation of their independence.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>The Company has in place a whistle-blowing policy. The Company's staff may and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the ARC Chairman:–<table>
<tr><th>Name</th><th>Email Address</th></tr>
<tr><td>Lee Dah Khang</td><td>gs@whistleblow.com.sg</td></tr>
</table>The ARC has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The details of the policy have also been disseminated and made available to all parties concerned in the Company's code of conduct.</td></tr>
<tr><td>12.8</td><td>What are the ARC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?</td><td>The ARC had been briefed by the EA on the changes or amendments to the accounting standards which have a direct impact on the financial statements.</td></tr>
<tr><td>12.9</td><td>Are any of the members of the ARC (i) a former partner or director of the Company's existing auditing firm or auditing corporation within the previous 12 months and (ii) hold any financial interest in the auditing firm or auditing corporation?</td><td>None of the members of the ARC (i) is a former partner or director of the Company's existing auditing firm or auditing corporation within the previous 12 months and (ii) holds any financial interest in the auditing firm or auditing corporation.</td></tr>
</table>

Corporate Governance

Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The Company's internal audit function is outsourced to Mazars LLP that reports directly to the ARC Chairman and administratively to the CEO. The ARC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The ARC is satisfied that the IA is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.
Shareholders' Rights		
14.1	The Company should facilitate the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the company's shares.	The Company's corporate governance practices promote the fair and equitable treatment to all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares, so as to enable shareholders to make informed decisions in respect of their investments in the Company.
14.2	The Company should ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders should be informed of the rules, including voting procedures, that govern general meetings of shareholders.	Shareholders are informed of general meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET. In order to provide ample time for the shareholders to review, the notice of general meetings, together with the Annual Report, is despatched to all shareholders at least 14 days (if no special resolution) before the scheduled meeting date. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducted poll voting for all resolutions tabled at the general meetings. The rules, including the voting process, were explained by the scrutineers at such general meetings.

Corporate Governance

14.3	The Company should allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.	Currently, the Constitution of the Company allows all shareholders (members) to appoint up to two proxies to attend general meeting and vote on their behalf. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund Board which purchases shares on behalf of the Central Provident Fund investors.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Communication with Shareholders		
15.1	(a) Does the Company have an investor relations policy?	The Company does not have an investor relations policy in place. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Act. There is no dedicated investor relations team in place as the Board was of the view that the current communication channels are sufficient and cost-effective. Shareholders of the Company receive the annual reports and notices of AGMs which are also advertised in the newspapers within the prescribed deadlines prior to the AGMs. The Board encourages shareholders' participation at the AGMs and periodically communicates with Shareholders through SGXNET throughout the financial year. Similarly, Shareholders receive the circulars and notices of extraordinary general meetings ("EGMs") which are advertised in the newspapers within the prescribed deadlines prior to the EGMs.

Corporate Governance

15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group. Information will first be disseminated through SGXNET and where relevant, followed by news release and the Company's website. The Company will also make announcements from time to time to update investors and shareholders on developments that are of interest to them. The Company strives to supply shareholders with reliable and timely information so as to strengthen the relationship with its shareholders based on trust and accessibility.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	No, the Company's investor relations function is led by Head of Finance who has the strategic management responsibility to integrate finance, accounting, corporate communication to enable effective communication between the Company and all shareholders, stakeholders, analysts and media.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website. The Company have procedures in place for responding to investors' queries.

Corporate Governance

15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, in considering dividend declaration, the Company will take into account the following factors: (a) Group's financial position, results of operations and cash flow; (b) ability of the subsidiaries to make dividends payments to the Company; (c) expected working capital requirements to support Group's future growth; (d) actual and projected financial performance; (e) general economic conditions and such other external factors that the Directors believe to have an impact on the business operations of the Group; and (f) any other factors deemed relevant by the Directors at the material time.
	Is the Company is paying dividends for the financial year? If not, please explain why.	The Board has not declared or recommended any dividend for FY2017 as the Company was not profitable for FY2017.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company's Constitution allows all shareholders to appoint proxies to attend general meeting and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. All minutes of general meetings will made available to shareholders upon their request.

Corporate Governance

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
712, 715 or 716	Appointment of auditors	The Company confirms its compliance to the Catalist Rules 712 and 715 in the appointment of its auditors.
1204(8)	Material contracts	Save as disclosed in the "Interested Person Transactions" section of the Corporate Governance Report, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2017 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	The Board and the ARC are of the opinion that the internal controls are effective and adequate to address the financial, operational, compliance and information technology risks based on the following: • internal controls and the risk management system established by the Company; • work performed by the IA and EA; • assurance from the CEO and Head of Finance; and • reviews done by the various Board Committees and key management personnel.

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1204(17)	Interested persons transaction ("IPT")	The Group has procedures governing all IPT to ensure that they are properly documented and reported on a timely manner to the ARC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The following are IPTs with value more than S$100,000 transacted during FY2017.

Name of Interested Person	**Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
	S$'000	**S$'000**
Han Kou Wei Pte Ltd	705(1)	149
Hawker Management Pte Ltd	–	187(2)

Notes:

(1) S$600,000 related to the rental paid/payable by Hao Kou Wei Pte Ltd pursuant to the lease agreement dated 1 December 2014 (please refer to page 172 of the Company's offer document dated 7 Janaury 2016 for details) and crockery sales of S$105,000. Hao Kou Wei Pte Ltd is wholly-owned by Ms. Ang Siew Kiock, spouse of Executive Chairman, Chief Executive Officer, Mr. Pang Pok.

(2) Relates to the cleaning services provided to Hawker Management Pte Ltd pursuant to the sales agreement dated 29 September 2017 for a period of 3 years commencing 3 October 2017. Under the agreement, the Company is to perform centralised on and off-premise dishwashing and table top cleaning at S$63,775 per month. Hawker Management Pte Ltd is a wholly-owned subsidiary of Koufu Pte Ltd. Both Hawker Management Pte Ltd and Koufu Pte Ltd are indirectly wholly-owned by Mr. Pang Lim and his spouse, brother of Executive Chairman, Chief Executive Officer, Mr. Pang Pok. For the avoidance of doubt, (i) the cleaning services are similar to that provided to Koufu Pte Ltd under the Company's existing IPT mandate, and (ii) the methods/procedures for determining the rates of the cleaning services provided to Hawker Management Pte Ltd are similar to that provided to Koufu Pte Ltd under the Company's existing IPT mandate.

1204(19)	Dealing in securities	The Company has adopted an internal policy which prohibits the Company, its Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements respectively, and ending on the date of the announcement of the relevant results.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to its sponsor, UOB Kay Hian Private Limited, for FY2017.
1204(22)	Use of proceeds	There were no unutilised proceeds arising from initial public offering and/or any offerings pursuant to Chapter 8 of the Catalist Rules.

Directors' Statement

The directors hereby present their statement to the members together with the audited consolidated financial statements of GS Holdings Limited and its subsidiaries (the "Group") for the financial year ended 31 December 2017 and the statement of financial position and statement of changes in equity of GS Holdings Limited (the "Company") for the financial year ended 31 December 2017.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 56 to 100 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Pang Pok	
Foo Sek Kuan Kenneth	(Resigned on 29 September 2017)
Chua Kern	
Chow Kek Tong	
Lee Dah Khang	
Lee Sai Sing	(Appointed on 3 March 2017)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Statement

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related companies as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Number of ordinary shares			
	Shareholdings registered in the name of directors		Shareholdings in which a director is deemed to have an interest	
Name of directors	**At 1.1.2017/ date of appointment**	**At 31.12.2017**	**At 1.1.2017**	**At 31.12.2017**
The Company				
Pang Pok	84,200,000	28,260,000	–	50,000,000
Lee Sai Sing	13,990,000	–	–	13,990,000

There was no change in the above-mentioned interest in the Company between the end of the financial year and 21 January 2018.

Share options

The GS Holdings Employee Share Option Scheme (the "GS Holdings ESOS") as well as a performance share plan known as the GS Holdings Performance Share Plan (the "GS Holdings PSP") were first approved and adopted by the members at the Shareholders' meeting held on 17 December 2015. The GS Holdings ESOS and GS Holdings PSP were renewed at the extraordinary general meeting held on 28 April 2017.

The GS Holdings ESOS and GS Holdings PSP were administered by Remuneration Committee comprising three directors, Chow Kek Tong, Lee Dah Khang and Chua Kern. The Chairman of the Remuneration Committee is Chow Kek Tong. A member of the Remuneration Committee who is also a participant of the GS Holdings ESOS and GS Holdings PSP will not be involved in its deliberation in respect of awards granted or to be granted to him.

The GS Holdings ESOS

Information regarding the GS Holdings ESOS is set out below:

(a) The exercise price of the options is determined by Market Price equal to the average of the last dealt prices for a Share on the Official List of the SGX-ST for the five (5) consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20%);

(b) The options vest 12 months after the grant date and expire ten years after vesting date unless cancelled or lapsed prior to that date.

There were no unissued shares of the Company or its subsidiary corporations under options granted by the Company or its subsidiary corporations as at the end of the financial year.

Since the commencement of the GS Holdings ESOS, the Company has not granted any options under the GS Holdings ESOS.

Directors' Statement

The GS Holdings PSP

The GS Holdings PSP contemplates the award of fully paid shares free of charge to participants after pre-determined performance or service conditions are accomplished. Awards granted under the GS Holdings PSP will be principally performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management and non-executive directors aimed at delivering long-term shareholder value.

The extension of the GS Holdings PSP to executive directors and employees of the Group and associated companies, including those who are Controlling Shareholders and their Associates and non-executive directors (including our Independent Directors) of the Group allows the Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of the Group.

The GS Holdings PSP shall continue in operation for a maximum period of 10 years commencing on the date on which the GS Holdings PSP is adopted, provided that the GS Holdings PSP may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The total number of shares which may be issued or transferred pursuant to the awards granted under the GS Holdings PSP, when added to (i) the number of shares issued or issuable and/or transferred or transferrable in respect of all awards granted thereunder; and (ii) all shares issued or issuable and/or transferred or transferrable under any other share incentive schemes adopted by the Company for the time being in force, shall not exceed 15% of the total issued share capital of the Company on the day preceding the relevant award date.

Since the commencement of the GS Holdings PSP, the Company has not granted any awards under the GS Holdings PSP.

Audit And Risk Committee

The Audit and Risk Committee comprises three members, who are all independent directors. The members of the Audit and Risk Committee for the financial year are:

Lee Dah Khang (Chairman)
Chua Kern
Chow Kek Tong

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Act and performed the following functions:

(a) assist Board in the discharge of its responsibilities on financial reporting matters;

(b) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls including financial, operational, compliance and information technology controls and risk management, their management letter and our management's response, and results of audits compiled by internal and external auditors;

Directors' Statement

Audit And Risk Committee (cont'd)

(c) review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;

(d) review the effectiveness and adequacy of our internal control and procedures, addressing financial, operational, compliance and information technology risks and ensure co-ordination between our internal and external auditors, and the management, review the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);

(e) review the scope and results of the external audit, and the independence and objectivity of the external auditors;

(f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(g) make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(h) review significant financial reporting issues and judgements with the Head of Finance and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before submission to Board of Directors;

(i) to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Head of Finance and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;

(j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

(k) review any potential conflicts of interest;

(l) review and approve all hedging policies and instruments (if any) to be implemented by the Group;

(m) undertake such other reviews and projects as may be requested by Board and report to Board its findings from time to time on matters arising and requiring the attention of Audit and Risk Committee;

(n) review and establish procedures for receipt, retention and treatment of complaints received by the Group, such as criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;

(o) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and

Directors' Statement

Audit And Risk Committee (cont'd)

(p) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The Audit and Risk Committee is satisfied with the independence and objectivity of the independent auditors and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Pang Pok Director	Lee Sai Sing Director

4 April 2018

Independent Auditor's Report

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GS Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 56 to 100, which comprise the statements of financial position of the Group and Company as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the financial statements with respect to the Group's and Company's ability to continue as a going concern. During the financial year ended 31 December 2017, the Group and Company incurred a net loss of $3,877,697 (2016: $1,951,282) and $2,047,871 respectively. The Group reported net cash outflows from operating activities of $1,663,246 (2016: $2,291,813). At 31 December 2017, the Group's and Company's current liabilities exceeded its current assets by $2,063,867 (2016: $1,744,957) and $2,729,330 (2016: $2,101,576) respectively. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Valuation of investment properties

Refer to Note 13 to the consolidated financial statements.

The carrying values of investment properties ("IP") amounted to $4,570,000 and represented 22% of the Group's total assets as at 31 December 2017. These investment properties are stated at their fair values based on independent professional valuations.

The valuation of investment property requires significant judgement and estimation. There is a risk that the investment properties may not be fairly stated if the valuation methodologies adopted and the key assumptions applied by the independent professional valuer ("Valuer") are inappropriate. A small change in the key assumptions applied by the Valuer can have a significant impact on the valuation.

Our procedures to address the key audit matter

We assessed the Group's process for selection of the Valuer, the determination of the scope of work of the Valuer, and the review and acceptance of the valuations reported by the Valuer. We have also read the terms of engagement of the Valuer with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We held discussions with the Valuer and considered the valuation methodologies used. We assessed the expected investment yield used in the valuation by comparing them against historical rental rates and negotiation with the current tenant.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

Impairment of property, plant and equipment

Refer to Note 11 to the consolidated financial statements.

The carrying values of property, plant and equipment ("PPE") amounted to $11,363,420 and represented 56% of the Group's total assets as at 31 December 2017.

PPE are tested for impairment when there are indicators that the carrying amount may not be recoverable. If there are indicators of impairment, the recoverable amount of the PPE is estimated. The deficit between the recoverable amount and carrying amount would be recognised immediately as impairment loss in profit or loss.

The identification of cash generating unit ("CGU"), assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amount of the CGU require judgement. The determination of the recoverable amount when value in use is applicable requires estimates of forecasted revenues, growth rates, profit margins and discount rates.

Independent Auditor's Report

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Impairment of property, plant and equipment (Continued)

Our procedures to address the key audit matter

We assessed the determination of the CGU and the recoverable amount of the CGU based on our understanding of the nature of the Group's business and the economic environment in which its CGU's operate.

We reviewed the CGU's historical performances and held discussions with management to understand their assessment of the future performance of the CGU. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives. We assessed management's estimates applied in the discounted cash flow model based on our knowledge of the CGU's operations, and compared them against historical performance.

We tested the mathematical accuracy of the discounted cash flow model and evaluated the sensitivity of the outcomes by considering downside scenarios against reasonably plausible changes to the key assumptions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2017 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report

TO THE MEMBERS OF GS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

4 April 2018

Consolidated Statement of Profit or Loss And Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 $	2016 $
Revenue	4	**9,915,918**	9,200,973
Cost of sales		**(10,909,874)**	(9,278,803)
Gross loss		**(993,956)**	(77,830)
Other income	5	**1,134,115**	2,144,902
Administrative expenses		**(3,639,850)**	(3,574,310)
Finance costs	6	**(404,883)**	(433,432)
Loss before tax	7	**(3,904,574)**	(1,940,670)
Tax credit/(expense)	9	**26,877**	(10,612)
Loss and total comprehensive loss for the financial year		**(3,877,697)**	(1,951,282)
Loss and total comprehensive loss for the year attributable to			
Equity holders of the Company		**(3,849,090)**	(1,913,332)
Non-controlling interests		**(28,607)**	(37,950)
		(3,877,697)	(1,951,282)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic and diluted	10	**(2.91)**	(1.51)

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

AT 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
	Note	$	$	$	$
Non-current assets					
Property, plant and equipment	11	**11,363,420**	12,262,039	**136**	253
Investment in subsidiaries	12	**–**	–	**13,071,216**	13,071,216
Investment properties	13	**4,570,000**	4,791,324	**–**	–
Total non-current assets		**15,933,420**	17,053,363	**13,071,352**	13,071,469
Current assets					
Inventories	14	**39,328**	117,121	**–**	–
Trade and other receivables	15	**3,473,758**	3,341,074	**2,484,437**	2,854,008
Cash and cash equivalents		**751,571**	1,065,165	**35,418**	230,299
Total current assets		**4,264,657**	4,523,360	**2,519,855**	3,084,307
Total assets		**20,198,077**	21,576,723	**15,591,207**	16,155,776
Non-current liabilities					
Amount due to a director	16	**3,000,000**	–	**1,420,000**	–
Loans and borrowings	17	**7,788,150**	8,349,306	**–**	–
Total non-current liabilities		**10,788,150**	8,349,306	**1,420,000**	–
Current liabilities					
Trade and other payables	18	**2,518,832**	2,421,245	**5,249,185**	5,185,883
Loans and borrowings	17	**3,809,692**	3,847,072	**–**	–
Total current liabilities		**6,328,524**	6,268,317	**5,249,185**	5,185,883
Total liabilities		**17,116,674**	14,617,623	**6,669,185**	5,185,883
Net assets		**3,081,403**	6,959,100	**8,922,022**	10,969,893
Equity					
Share capital	19	**11,498,420**	11,498,420	**11,498,420**	11,498,420
Accumulated losses		**(5,242,939)**	(1,393,849)	**(2,576,398)**	(528,527)
Asset revaluation reserve		**2,918,693**	2,918,693	**–**	–
Merger reserve		**(6,071,214)**	(6,071,214)	**–**	–
Equity attributable to equity holders of the Company, total		**3,102,960**	6,952,050	**8,922,022**	10,969,893
Non-controlling interests		**(21,557)**	7,050	**–**	–
Total equity		**3,081,403**	6,959,100	**8,922,022**	10,969,893

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Share capital $	Accumulated losses $	Asset revaluation reserve $	Merger reserve $	Total attributable to owners of the Company $	Non controlling interests $	Total equity $
Group								
2017								
At 1 January 2017		**11,498,420**	**(1,393,849)**	**2,918,693**	**(6,071,214)**	**6,952,050**	**7,050**	**6,959,100**
Loss and total comprehensive loss for the year		**–**	**(3,849,090)**	**–**	**–**	**(3,849,090)**	**(28,607)**	**(3,877,697)**
At 31 December 2017		**11,498,420**	**(5,242,939)**	**2,918,693**	**(6,071,214)**	**3,102,960**	**(21,557)**	**3,081,403**
2016								
At 1 January 2016		3,704,556	519,483	2,918,693	(6,071,214)	1,071,518	–	1,071,518
Loss and total comprehensive loss for the year		–	(1,913,332)	–	–	(1,913,332)	(37,950)	(1,951,282)
Issuance of ordinary shares	19	8,280,000	–	–	–	8,280,000	–	8,280,000
Capitalisation of share issuance expenses	19	(486,136)	–	–	–	(486,136)	–	(486,136)
		7,793,864	–	–	–	7,793,864	–	7,793,864
Incorporation of subsidiary		–	–	–	–	–	45,000	45,000
At 31 December 2016		11,498,420	(1,393,849)	2,918,693	(6,071,214)	6,952,050	7,050	6,959,100

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Share capital $	Accumulated losses $	Total equity $
Company				
2017				
At 1 January 2017		**11,498,420**	**(528,527)**	**10,969,893**
Loss and total comprehensive loss for the year		**–**	**(2,047,871)**	**(2,047,871)**
At 31 December 2017		**11,498,420**	**(2,576,398)**	**8,922,022**
2016				
At 1 January 2016		3,704,556	(1,316,236)	2,388,320
Issuance of ordinary shares	19	8,280,000	–	8,280,000
Capitalisation of share issuance expenses	19	(486,136)	–	(486,136)
		7,793,864	–	7,793,864
Profit and total comprehensive income for the year		–	787,709	787,709
At 31 December 2016		11,498,420	(528,527)	10,969,893

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 $	2016 $
Cash flows from operating activities		
Loss before tax	**(3,904,574)**	(1,940,670)
Adjustments for:		
Amortisation of government grant	**(114,436)**	(43,671)
Bad debt expense	**101,623**	–
Depreciation	**1,526,802**	1,135,181
Waiver of amount due to a director	**–**	(1,000,000)
Interest expenses	**404,883**	433,432
Loss on disposal of property, plant and equipment	**–**	42,788
Property, plant and equipment written off	**18,746**	3,873
Fair value loss/(gain) on investment properties	**221,324**	(5,000)
Operating cash flows before working capital change	**(1,745,632)**	(1,374,067)
Inventories	**77,793**	(114,121)
Receivables	**(240,714)**	(1,606,429)
Payables	**212,023**	927,521
Cash flows used in operations	**(1,696,530)**	(2,167,096)
Income tax refund/(paid)	**33,284**	(124,717)
Net cash used in operating activities	**(1,663,246)**	(2,291,813)
Cash flow from investing activities		
Purchases of property, plant and equipment	**(342,312)**	(4,494,171)
Proceeds from disposal of property, plant and equipment	**–**	13,000
Additions to investment property	**–**	(11,324)
Contributions from non-controlling interests	**–**	45,000
Net cash used in investing activities	**(342,312)**	(4,447,495)
Cash flow from financing activities		
Decrease in bank deposits pledged	**–**	54,983
Repayment of obligations under finance lease	**(378,631)**	(213,414)
Proceeds from finance lease	**946,794**	–
Proceeds from bank borrowings	**–**	1,011,324
Repayment of bank borrowings	**(1,471,316)**	(1,921,376)
Interest expense	**(404,883)**	(433,432)
Proceeds from issuance of ordinary shares	**–**	8,280,000
Loan from director	**3,000,000**	–
Net cash generated from financing activities	**1,691,964**	6,778,085
Net (decrease)/increase in cash and cash equivalents	**(313,594)**	38,777
Cash and cash equivalents at beginning of the year	**1,065,165**	1,026,388
Cash and cash equivalents at end of the year	**751,571**	1,065,165

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

GS Holdings Limited (the "Company") (Co. Reg. No. 201427862D) is incorporated and domiciled in Singapore and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office of the Company and principal place of business at 8 Loyang Way 4, Singapore 507604.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are presented in Singapore dollar ($), which is the Company's functional currency. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

New and revised standards

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

From 1 January 2017, as a result of the amendments to FRS 7 Statement of Cash Flows (Disclosure Initiative), the Group has provided additional disclosure in relation to changes in liabilities from financing activities for the current financial year (Note 17).

The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Group and the Company.

At the date of the statement of financial position, the following FRSs and INT FRSs were issued, revised or amended but not effective and which the Group has not early adopted:

FRS 109: Financial Instruments
FRS 115: Revenue from Contracts with Customers
FRS 116: Leases
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers
Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 40: Transfers of Investment Property
Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts
Amendments to FRS 109: Prepayment Features with Negative Compensation
Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures
Improvements to FRSs (December 2016)
INT FRS 122: Foreign Currency Transactions and Advance Consideration
INT FRS 123: Uncertainty over Income Tax Treatments

The Group anticipates that the adoption of these FRSs and INT FRSs (where applicable) in future periods will have no material impact on the financial statements of the Company and the consolidated financial statements of the Group, except as disclosed below:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council ("ASC") announced that Singapore incorporated companies listed on the Singapore Exchange ("SGX") or are in the process of issuing equity or debt instruments for trading on SGX, will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS Convergence), known as Singapore Financial Reporting Standards (International) ("SFRS(I)"), with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) issued by ASC. These financial statements will be the last set of financial statements prepared under the current FRS in Singapore.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). In addition to the adoption of the new framework, the Group will be adopting other new SFRS(I), amendments to standards and interpretations of SFRS(I) which are effective from the same date.

The Group does not expect the application of the new standards, amendments to standards and interpretations, and the IFRS Convergence to have significant impact on the financial statements.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces IAS 18 'Revenue', IAS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. SFRS(I) 15 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group plans to adopt SFRS(I) 15 in its financial statements for the financial year ending 31 December 2018 using the full retrospective approach. As a result, the Group will apply the changes in accounting policies retrospectively to each reporting year presented.

Management has performed a preliminary impact assessment of applying the new standard on the Group's financial statements and there will be no material impact to the financial statements of the Group in the period of initial application of the new accounting standards.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

SFRS(I) 9 Financial Instruments

SFRS(I) 9 which replaces IAS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace IAS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 at the date of initial application in the opening retained earnings and reserves as at 1 January 2018.

(i) *Classification and measurement*

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9. Loans and receivables that are currently accounted for at amortised cost are expected to continue to be measured at amortised cost.

(ii) *Impairment*

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables.

The Group will adopt SFRS(I) 9 when it becomes effective in financial year ending 31 December 2018. The Group does not expect the impact from the initial adoption of SFRS(I) 9 to have a material impact on its financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (Continued)

SFRS(I) 16 Leases

SFRS(I) 16 replaces the existing IAS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $2,230,168 (Note 22). The Group anticipates that the adoption of SFRS(I) 16 in the future may potentially have a material impact on the amounts reported and disclosures made in the financial statements. It is not practicable to provide a reasonable estimate of the impact of SFRS(I) 16 until the Group performs a detailed assessment. The Group is in the process of performing a detailed assessment of the impact and plans to adopt the standard on the required effective date.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting date. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of consolidation (Continued)

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. Under this method, the Company has been treated as the holding company of the subsidiaries as if the combination had occurred from the date the subsidiaries first came under the control of the same shareholders. Accordingly, the results of the Group include the results of the subsidiaries for the entire periods under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

- Assets and liabilities are reflected at their existing carrying amounts;
- No adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;
- No additional goodwill is recognised as a result of the combination;
- Prior to the issue of shares by the Company, the aggregate equity of the subsidiaries held directly by the Company is shown as the Group's equity for financial years under review; and
- Any difference between the consideration paid by the Company and the equity 'acquired' is reflected within the equity of the Group as merger reserve.

All other business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of consolidation (Continued)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquirers net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

d) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property, plant and equipment (Continued)

Depreciation is calculated on a straight line basis to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	Years
Leasehold property	38
Vehicles	2 – 9
Machineries and equipment	3 – 6
Furniture and fittings	3
Crockeries	3
Renovations	3 – 10

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

e) Investment properties

Investment properties are properties that are either owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Impairment of non-financial assets

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) Financial assets

Classification

The Group classifies its financial assets according to the nature of the assets and purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's only financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" (excluding GST receivables and prepayments) and "cash and cash equivalents" on the statements of financial position.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial assets (Continued)

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to profit or loss.

Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Cash and cash equivalents

For the purposes of presentation in the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

j) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

k) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and that the amount can be estimated reliably. Provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

l) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Notes to the Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity, and the amount of revenue and related cost can be reliably measured.

Rendering of services

Revenue from cleaning services is recognised when services are rendered.

Sale of equipment and crockeries

Revenue from sales of equipment is recognised when the Group has delivered the goods to the customer and significant risks and rewards of ownership of the goods have been passed to the customer.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

n) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

o) Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases

When a Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the outstanding liability and finance costs. The corresponding lease obligations, net of finance costs, are included in loans and borrowings. The finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

When a Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

q) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the reporting date.

Deferred income tax is measured based on the tax consequence that will follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

s) Functional and foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the “functional currency”). The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company’s functional currency.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Functional and foreign currencies (Continued)

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

t) Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the subsequent paragraphs).

Going concern

The Group and Company incurred a net loss from operations of $3,877,697 (2016: $1,951,282) and $2,047,871 respectively. The Group reported net cash outflows from operating activities of $1,663,246 (2016: $2,291,813). At 31 December 2017, the Group's and Company's current liabilities exceeded the current assets by $2,063,867 (2016: $1,744,957) and $2,729,330 (2016: $2,101,576) respectively. These factors indicate the existence of material uncertainty that may cast doubt on the Group's and Company's ability to continue as going concerns and to realise its assets and discharge its liabilities in the ordinary course of business.

Notes to the Financial Statements

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the entity's accounting policies (Continued)

Going concern (Continued)

The directors are satisfied that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2017 is appropriate after taking into consideration the following factors:

(i) The controlling shareholder of the Company, Mr Pang Pok, has on 27 February 2018 provided an irrevocable undertaking to the Company to provide an additional S$2.0 million interest-free loan for its working capital requirements or any other purpose which the Company may deem fit. Subsequent to the end of the financial year, the shareholder has provided additional interest free loans amounting to $850,000 to the Group for working capital purposes;

(ii) The current market value of the Group's properties and Mr Pang Pok's personal properties pledged to the banks for secured bank loans is much higher than the total amount of secured bank loans outstanding as at 31 December 2017, therefore the Group may apply for additional bank loans as and when needed; and

(iii) The Group is able to improve its cash flows generated from its operations based on the Group's current business outlook.

Management has taken the following measures to improve the Group's operational performance and financial position:

(i) Adopt a disciplined capital allocation and constant review of capital expenditure plans so as to manage a balanced project portfolio to mitigate risks and optimise profitability for all existing projects;

(ii) Strengthen current customers' base with new customers in other food and beverage sector, and foster closer customer relationship by providing quality services to customers;

(iii) Continuously seek improvements in the efficiency of the Group's centralised dishwashing process through enhancements and re-engineering of the workflow process; and

(iv) Focus on reduction of direct labour related costs through close monitoring of the Group's manpower requirements.

After considering the measures taken described above, the directors believe that they have adequate resources to continue its operations as a going concern.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements in applying the entity's accounting policies (Continued)

Going concern (Continued)

For these reasons, the financial statements have been prepared on the assumptions that the Group and Company will continue as going concerns. The financial statements did not include any adjustments that may result in the event that the Group and Company are unable to continue as a going concern. In the event that the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of investment properties

The Group's investment properties are stated at estimated fair values based on the valuation performed by independent firm of professional valuers. In determining fair values, the valuers have based their valuation on methods of valuation which involves certain estimates, including comparison with sale transactions of similar properties and expected future income stream to be achieved from the property. The valuation methodologies, significant inputs used and details of the properties are disclosed in Note 13 to the financial statements. As at 31 December 2017, the carrying amount of investment properties is $4,570,000 (2016: $4,791,324).

Impairment of non-financial assets

At each reporting date, the Group assesses whether there are any indications of impairment for all non-financial assets. The Group also assesses whether there is any indication that an impairment loss recognised in prior periods for a non-financial asset, other than goodwill, may no longer exist or may have decreased.

If any such indication exists, the Group estimates the recoverable amount of that asset or the cash-generating unit ("CGU") to which the asset belongs. The identification of CGU, assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amount of the CGU require judgement. An impairment loss exists when the carrying value of an asset (or CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. An impairment loss recognised in prior periods shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Impairment of non-financial assets (Continued)

Where value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate in order to determine the present value of the cash flows. The carrying values of the Group's property, plant and equipment are disclosed in Note 11. Details of the key assumptions applied in the Company's impairment assessment of its investment in subsidiaries and the carrying amounts of the investments are disclosed in Note 12. Changes in assumptions made and discount rate applied could affect the carrying values of these assets.

4 REVENUE

	Group	
	2017	**2016**
	$	**$**
Sales of equipment and crockeries	**296,479**	464,237
Service income	**9,543,285**	8,736,736
Rental of equipment	**76,154**	–
	9,915,918	9,200,973

5 OTHER INCOME

	Group	
	2017	**2016**
	$	**$**
Fair value gain on investment properties (Note 13)	**–**	5,000
Waiver of amount due to a director	**–**	1,000,000
Government grants	**413,304**	531,149
Rental income	**600,000**	600,000
Others	**120,811**	8,753
	1,134,115	2,144,902

6 FINANCE COSTS

	Group	
	2017 $	2016 $
Interest expense:		
– finance lease	**46,097**	22,165
– term loans	**358,786**	411,267
	404,883	433,432

7 LOSS BEFORE TAX

	Group	
	2017 $	2016 $
This is arrived at after charging:		
Auditors' remuneration paid/payable to the auditor of the Company:		
– Current year	**80,000**	80,000
– Overprovision of prior years	**(40,000)**	–
Non-audit services paid/payable to the auditor of the Company	**29,000**	47,700
Bad debt expense	**101,623**	–
Depreciation of property, plant and equipment	**1,526,802**	1,135,181
Director fees	**180,339**	163,000
Fair value loss on investment properties (Note 13)	**221,324**	–
Loss on disposal of property, plant and equipment	**–**	42,788
Personnel expenses (Note 8)	**6,911,365**	6,508,246
Property, plant and equipment written off	**18,746**	3,873
Rental expense	**699,568**	611,591
Subcontractor expenses	**555,187**	647,404

8 PERSONNEL EXPENSES

	Group	
	2017 $	2016 $
Staff costs:		
– Salaries and bonus	**6,427,502**	6,008,277
– Defined contribution plans	**483,863**	499,969
	6,911,365	6,508,246

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9 TAX (CREDIT)/EXPENSE

	Group	
	2017	**2016**
	$	**$**
Income tax		
– (Over)/under provision in prior years	**(26,877)**	10,612

The income tax (credit)/expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax due to the following factors:

	Group	
	2017	**2016**
	$	**$**
Loss before tax	**(3,904,574)**	(1,940,670)
Tax calculated at a tax rate of 17%	**(663,778)**	(329,913)
Statutory stepped income exemption	**–**	(64,468)
Expenses not deductible for tax purposes	**91,119**	131,328
Income not subject to tax	**(44,549)**	(231,058)
(Over)/under provision of taxation in prior years	**(26,877)**	10,612
Utilisation of previously unrecognised tax losses	**–**	(6,873)
Deferred tax assets not recognised for the year	**617,208**	533,927
Others	**–**	(32,943)
	(26,877)	10,612

At 31 December 2017, the Group has unrecognised unutilised tax losses, unutilised capital allowances and deferred capital allowances of approximately $7,460,000 (2016: $4,810,000), $550,000 (2016: $550,000) and $4,767,000 (2016: $4,470,000) available for carry forward to set off against future taxable profits subject to agreement by the tax authority and compliance with relevant provisions of the Singapore Income Tax Act. Deferred tax assets have not been recognised on these unutilised tax losses and capital allowances in the financial statements as it is not probable that future taxable income will be sufficient to allow the unutilised tax losses to be realised.

10 EARNINGS PER SHARE

The calculation of earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group 2017 $	Group 2016 $
Loss attributable to equity holders of the Company	**(3,849,090)**	(1,913,332)
Weighted average number of ordinary shares	**132,000,000**	126,928,962
Loss per share (cents per share)		
– Basic and diluted	**(2.91)**	(1.51)

The Company did not hold any potential dilutive ordinary shares during the financial year (2016: $Nil).

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property $	Vehicles $	Machineries and equipment $	Furniture and fittings $	Crockeries $	Renovations $	Total $
Group							
2017							
Cost							
At 1.1.2017	8,203,200	500,861	3,260,295	978,548	814,683	1,037,433	14,795,020
Additions	–	311,318	143,899	173,381	291	18,040	646,929
Write off	–	–	(132,412)	(25,431)	(136,926)	–	(294,769)
Reclassification	–	–	10,500	(178,524)	(10,500)	178,524	–
At 31.12.2017	8,203,200	812,179	3,282,282	947,974	667,548	1,233,997	15,147,180
Accumulated depreciation							
At 1.1.2017	181,486	100,356	1,219,708	836,156	174,658	20,617	2,532,981
Depreciation charge	217,785	75,434	651,603	98,745	259,492	223,743	1,526,802
Write off	–	–	(128,103)	(25,184)	(122,736)	–	(276,023)
Reclassification	–	–	1,583	(120,945)	(1,583)	128,945	–
At 31.12.2017	399,271	175,790	1,744,791	780,772	309,831	373,305	3,783,760
Net carrying value							
At 31.12.2017	7,803,929	636,389	1,537,491	167,202	357,717	860,692	11,363,420

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold property $	Vehicles $	Machineries and equipment $	Furniture and fittings $	Crockeries $	Renovations $	Total $
2016							
Cost							
At 1.1.2016	7,204,600	359,075	1,694,647	973,252	165,311	–	10,396,885
Additions	998,600	153,586	1,578,764	43,440	649,372	1,216,109	4,639,871
Disposals	–	–	(5,750)	(37,011)	–	(177,401)	(220,162)
Write off	–	(11,800)	(7,366)	(1,133)	–	(1,275)	(21,574)
At 31.12.2016	8,203,200	500,861	3,260,295	978,548	814,683	1,037,433	14,795,020
Accumulated depreciation							
At 1.1.2016	–	59,790	690,495	786,380	43,210	–	1,579,875
Depreciation charge	181,486	52,366	538,811	81,490	131,448	149,580	1,135,181
Disposals	–	–	(5,750)	(30,803)	–	(127,821)	(164,374)
Write off	–	(11,800)	(3,848)	(911)	–	(1,142)	(17,701)
At 31.12.2016	181,486	100,356	1,219,708	836,156	174,658	20,617	2,532,981
Net carrying value							
At 31.12.2016	8,021,714	400,505	2,040,587	142,392	640,025	1,016,816	12,262,039

	Furniture and fittings 2017 $	 2016 $
Company		
2017		
Cost		
At 1 January	**350**	–
Additions	**–**	350
At 31 December	**350**	350
Accumulated depreciation		
At 1 January	**97**	–
Depreciation charge	**117**	97
At 31 December	**214**	97
Net carrying value		
At 31 December	**136**	253

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $646,929 (2016: $4,639,871) of which $304,617 (2016: $145,700) was financed by means of finance leases.

(ii) The carrying amount of machineries, equipment and vehicles held under finance leases at the end of the reporting period were $1,797,920 (2016: $752,731) of which $947,599 (2016: $Nil) were existing machineries mortgaged to secure the Company's finance lease during the year.

Leased assets are pledged as security for the related finance lease liabilities.

(iii) The Group's leasehold property with a carrying amount of $7,803,929 (2016: $8,021,714) are mortgaged to secure the Group's bank loans (Note 17).

(iv) At the reporting date, the Group continues to operate at a loss. As this indicates that the Group's property, plant and equipment may be impaired, an assessment of the recoverable amount of the property, plant and equipment was performed.

The Group had identified GreatSolutions Pte. Ltd. as the CGU. The recoverable amount is determined based on its value in use. The value in use calculation uses discounted cash flow projections which take into account management's assumptions and estimates of revenue growth, gross profit margin and a pre-tax discount rate estimated based on industry average weighted-average cost of capital. Any changes to the assumptions and estimates applied by management would affect the recoverable amount of the assets. Based on the above value in use calculation, no impairment loss need to be recognised in profit or loss.

12 INVESTMENT IN SUBSIDIARIES

	Company	
	2017	**2016**
	$	**$**
Unquoted equity shares, at cost		
At 1 January	**13,071,216**	9,071,216
Additions	**–**	4,000,000
At 31 December	**13,071,216**	13,071,216

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12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(i) Details of the subsidiaries are:

Name of subsidiary	**Principal place of business**	**Principal business activities**	**Proportion of ownership interest**	
			2017 %	**2016 %**
Held by the Company				
Hawkerway Pte. Ltd.*	Singapore	Letting and operating of food courts, coffee shops and eating house	**100**	100
GreatSolutions Pte. Ltd.*	Singapore	Dishwashing services and automated cleaning services and solutions	**100**	100
GS Cleaning Services Pte. Ltd.*	Singapore	Cleaning services and landscape care and maintenance services	**100**	100
GS Equipment Supply Pte. Ltd.*	Singapore	Sale of dishwashing and other equipment/ machinery; and rental of equipment/ machinery and tangible goods	**100**	100
GS Stewarding Services Pte. Ltd.*	Singapore	Installation of dishwashing machines and other equipment and mechanical engineering works; and repair, servicing and maintenance of dishwashing machines and other equipment	**100**	100
Held through Greatsolutions Pte. Ltd.				
GS Hospitality Services Pte. Ltd.*	Singapore	Cleaning services including hotel-related dishwashing	**55**	55

* *Audited by Baker Tilly TFW LLP.*

(ii) At the end of the reporting period, there are no subsidiaries with non-controlling interests that are considered by management to be material to the Group. Accordingly, the summarised financial information of the subsidiaries is not being disclosed.

(iii) Impairment assessment

During the financial year, management performed impairment review for the Company's investment in certain subsidiaries as these subsidiaries recorded losses in current and previous financial years.

Due to indications of an impairment loss, the Company performed an assessment of the recoverable amount of the investment in the subsidiary. The recoverable amount of the investment was determined based on value-in-use calculations using cash flow projections from forecasts approved by management covering a five-year period. The discount rate applied to the cash flow projection was 15.41%.

13 INVESTMENT PROPERTIES

	Group	
	2017	2016
	$	$
At 1 January	**4,791,324**	4,775,000
Addition to investment property	**–**	11,324
Fair value (loss)/gain recognised in profit or loss	**(221,324)**	5,000
At 31 December	**4,570,000**	4,791,324

The following amounts are recognised in profit or loss:

	Group	
	2017	2016
	$	$
Rental income	**600,000**	600,000
Direct operating expenses arising from an investment property that generated rental income	**78,106**	49,582
Direct operating expenses arising from an investment property that did not generate rental income	**3,041**	4,455

Investment properties held by the Group as at 31 December 2017 are as follows:

Properties	Description	Location	Existing use	Tenure
Property 1	A single-storey eating house with mezzanine office	16A Sungei Kadut Way, Singapore 728794	Commercial	Leasehold, 23 years
Property 2	A ramp-up factory unit	7 Mandai Link #03-40 Mandai Connection Singapore 728653	Commercial	Leasehold, 30 years

At 31 December 2017, the fair values of these properties are determined based on the property's highest-and-best-use valuation performed by an independent professional valuer, Permas Valuers & Property Consultants Pte Ltd.

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13 INVESTMENT PROPERTIES (CONTINUED)

Property 1

The Investment Method of valuation was adopted based on the present worth of the expected future income stream in the form of the estimated net profit rental value and capitalised at an appropriate investment yield. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

Property 2

The Direct Comparison Method of valuation was adopted whereby sale transactions of comparable properties have been taken into consideration with regards to the location, tenure, age, size, floor level, design, layout, condition and standard of finishes amongst other factors. This fair value measurement is categorised in the Level 3 of the fair value hierarchy.

The following table shows the significant unobservable inputs used in the valuation methods:

Description	**Fair value** **$**	**Valuation technique**	**Significant unobservable input**	**Range**
Property 1	4,000,000	Investment method	Discount rate(1)	4%
			Rental growth rate(2)	4%
Property 2	570,000	Direct comparison method	Price per square metre(2)	$3,630

(1) Any significant isolated increases/(decreases) in the significant unobservable input would result in a significantly lower/(higher) fair value measurement.

(2) Any significant isolated increases/(decreases) in the significant unobservable input would result in a significantly higher/(lower) fair value measurement.

Properties pledged as security

Investment properties amounting to $4,570,000 (2016: $4,791,324) are mortgaged to secure bank borrowings (Note 17).

14 INVENTORIES

	Group	
	2017 **$**	**2016** **$**
Finished goods	**39,328**	117,121

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
Trade receivables				
– third parties	**2,515,231**	2,630,840	**–**	–
– related parties	**53,500**	223,439	**–**	–
– subsidiaries	**–**	–	**2,270,112**	1,135,056
Less: Allowance for impairment	**–**	–	**(1,970,400)**	–
	2,568,731	2,854,279	**299,712**	1,135,056
Non-trade amounts due from subsidiaries	**–**	–	**2,182,483**	1,716,386
Non-trade amounts due from related parties	**68,137**	–	**–**	–
Advances to customers	**465,227**	–	**–**	–
Deposits	**180,882**	246,407	**–**	–
Other receivables	**34,895**	61,944	**–**	–
Prepayments	**155,886**	178,444	**2,242**	2,566
	905,027	486,795	**2,184,725**	1,718,952
	3,473,758	3,341,074	**2,484,437**	2,854,008

The non-trade amounts due from subsidiaries and related parties are interest-free, unsecured and payable on demand.

The advances to customers is non-trade in nature, unsecured, interest-free and has no fixed terms of repayment.

16 AMOUNT DUE TO A DIRECTOR

The amount due to a director arose from the restructuring exercise for which the director had executed an undertaking to the Group that in the event the Group incurs an operating loss for its audited financial results of financial year ending 31 December 2017 and 31 December 2016, the director shall disburse an interest-free loan to the Group. In the event the Group incurs an operating loss for year ended 31 December 2018, the director shall immediately forgive the loan in its entirety.

If the Group records an operating profit for its audited financial results for the financial year ending 31 December 2018, the Audit Committee shall decide on the repayment terms of the amount, provided that the Audit Committee confirms the working capital of the Group is sufficient for the next 12 months after any such repayment of the loan or any part thereof to the director.

Notes to the Financial Statements

17 LOANS AND BORROWINGS

		Group	
		2017	2016
	Maturity	$	$
Non-current			
Loan 1 – SIBOR plus 3.00% p.a.	**2019 – 2022**	**131,187**	168,404
Loan 2 – SIBOR plus 1.28% p.a.	**2019**	**303,648**	331,220
Loan 4 – 3-month SIBOR plus 3.00% p.a.		**–**	90,926
Loan 5 – 3-month SIBOR plus 4.00% p.a.	**2019**	**76,471**	245,599
Loan 6 – Bank prevailing enterprise financing rate	**2019 – 2036**	**4,990,356**	5,152,961
Loan 7 – 0.88% over the Bank's Business Board Rate		**–**	41,766
Loan 8 – Higher of 3.00% p.a. over 3-month Swap Offer Rate or 3.00% p.a. over the prevailing 3-month Cost of Funds	**2019 – 2020**	**1,274,761**	1,872,234
Loan 9 – 0.50% p.a. above the prevailing Bank's Business Instalment Loan Board Rate		**–**	27,624
Obligations under finance lease	**2019 – 2022**	**1,011,727**	418,572
		7,788,150	8,349,306
Current			
Loan 1 – SIBOR plus 3.00% p.a.		**38,026**	37,696
Loan 2 – SIBOR plus 1.28% p.a.		**27,834**	27,835
Loan 3 – 2.20% per annum above the 6-month Swap Offer Rate and prevailing 1 or 3-month SIBOR plus 4.00% p.a.		**2,200,000**	2,200,000
Loan 4 – 3-month SIBOR plus 3.00% p.a.		**90,959**	176,993
Loan 5 – 3-month SIBOR plus 4.00% p.a.		**169,273**	317,065
Loan 6 – Bank prevailing enterprise financing rate		**164,020**	225,976
Loan 7 – 0.88% over the Bank's Business Board Rate		**41,765**	78,189
Loan 8 – Higher of 3.00% p.a. over applicable 3-month Swap Offer Rate or 3.00% p.a. over the prevailing 3-month Cost of Funds		**598,165**	576,878
Loan 9 – 0.50% p.a. above the prevailing Bank's Business Instalment Loan Board Rate		**27,623**	34,038
Obligations under finance lease		**452,027**	172,402
		3,809,692	3,847,072
		11,597,842	12,196,378
Representing loans:			
– Non-current		**6,776,423**	7,930,734
– Current		**3,357,665**	3,674,670
		10,134,088	11,605,404

17 LOANS AND BORROWINGS (CONTINUED)

The loans are secured by:

(i) legal mortgage over the Group's investment properties (Note 13);

(ii) assignment of rental proceeds and all rights of the tenancy agreements;

(iii) legal mortgage over the Group's leasehold property (Note 11);

(iv) corporate guarantee from holding company and fellow subsidiaries;

(v) personal guarantee from a director of the Group; and

(vi) legal mortgages over certain personal properties of a director of the Group.

The Group's borrowings are floating rate instruments that are repriced to market interest rates on or near the statement of financial position date. Accordingly, the fair values of these borrowings, determined from discounted cash flow analysis using discount rates which are the market lending rate that the directors expect would be available to the Group at statement of financial position date, would approximate their carrying amounts at the statement of financial position date. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair values hierarchy.

Obligations under finance lease

	Minimum lease payments		**Present value of minimum lease payments**	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Group				
Within 1 financial year	**508,884**	194,892	**452,027**	172,402
Within 2 to 5 financial years	**1,070,083**	455,342	**933,896**	393,032
After 5 financial years	**94,142**	30,906	**77,831**	25,540
Total minimum lease payments	**1,673,109**	681,140	**1,463,754**	590,974
Less: future finance charges	**(209,355)**	(90,166)	**–**	–
	1,463,754	590,974	**1,463,754**	590,974
Representing finance lease liabilities:				
– Non-current	**1,011,727**	418,572		
– Current	**452,027**	172,402		
	1,463,754	590,974		

The obligations under finance lease bear effective interest rates ranging from 1.88% to 9.50% (2016: 4.25% to 7.19%) per annum respectively. Leased assets are pledged as security for the related lease liabilities (Note 11). A director of the Group and a fellow subsidiary of the Group have provided guarantees for certain of the finance lease liabilities.

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17 LOANS AND BORROWINGS (CONTINUED)

Based on the discounted cash flow analysis using market interest rates for similar finance lease agreements at the reporting date, the fair values of finance lease liabilities at the reporting date approximate their carrying amounts as the market interest rate at the reporting date is close to the effective interest rate of the Group's existing finance lease liabilities. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair value hierarchy.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans $	Finance lease liabilities $	Amount due to a director $	Total $
Balance at 1 January 2017	11,605,404	590,974	–	12,196,378
Changes from financing cash flows:				
– Proceeds	–	1,251,411	3,000,000	4,251,411
– Repayments	(1,471,316)	(378,631)	–	(1,849,947)
– Interest paid	(358,786)	(46,097)	–	(404,883)
Non-cash changes:				
– Interest expense	358,786	46,097	–	404,883
Balance at 31 December 2017	**10,134,088**	**1,463,754**	**3,000,000**	**14,597,842**

During the financial year, the Group received proceeds from finance lease of $1,251,411 of which $304,617 was used to finance property, plant and equipment acquired during the year (Note 11).

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2017 $	2016 $	2017 $	2016 $
Trade payables				
– third parties	**579,944**	491,158	**–**	–
Other payables				
– third parties	**774,787**	626,534	**76,850**	48,732
– subsidiaries (i)	**–**	–	**5,007,323**	4,981,991
Deposit received				
– related party	**100,000**	100,000	**–**	–
Accrued expenses	**831,019**	885,939	**165,012**	155,160
Deferred revenue	**–**	138,699	**–**	–
Deferred capital grant (ii)	**233,082**	178,915	**–**	–
	2,518,832	2,421,245	**5,249,185**	5,185,883

(i) The amount due to subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

(ii) Deferred capital grants relate to government grants received for acquisition of machineries and equipment for its projects on productivity improvement. There are no unfulfilled conditions or contingencies attached to these grants.
Amortisation charge for the financial year amounted to $114,436.

19 SHARE CAPITAL

	2017		2016	
	No. of shares ’000	$	No. of shares ’000	$
Group				
At 1 January	**132,000**	**11,498,420**	100,000	3,704,556
Issuance of ordinary shares pursuant to the initial public offering	–	–	24,000	5,513,864
Issuance of ordinary shares	–	–	8,000	2,280,000
At 31 December	**132,000**	**11,498,420**	132,000	11,498,420
Company				
At 1 January	**132,000**	**11,498,420**	100,000	3,704,556
Issuance of ordinary shares pursuant to the initial public offering	–	–	24,000	5,513,864
Issuance of ordinary shares	–	–	8,000	2,280,000
	132,000	**11,498,420**	132,000	11,498,420

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

For the financial year ended 31 December 2016, the Company issued 24,000,000 placement shares at $0.25 per share in connection with the listing on SGX-ST and raised gross proceeds of $6,000,000, and also subsequently issued another 8,000,000 placement shares for a total consideration of $2,280,000 to provide funds for the expansion of the Group’s dishware washing operations and general working capital.

The newly issued shares rank pari passu in respects with the previously issued shares.

20 CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities are as follows:

Guarantees

	Group		Company	
	2017 $	2016 $	2017 $	2016 $
Corporate guarantees given to secure banking facilities granted:				
– subsidiaries	–	–	**16,109,000**	17,909,000

20 CONTINGENT LIABILITIES (CONTINUED)

Guarantees (Continued)

The amount of bank loan utilised by the subsidiaries that were covered by the corporate guarantee issued by the Company at the end of the reporting period is $14,570,000 (2016: $15,126,000).

No liability is recognised from the issuance of the corporate guarantees issued to subsidiaries as management has assessed the risk of default to be remote and therefore, the fair value of the financial guarantee to be immaterial.

21 RELATED PARTIES TRANSACTIONS

a) In addition to the information disclosed elsewhere in the financial statements, the following related parties transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

	Group	
	2017	**2016**
	$	**$**
With related parties		
Income		
Service rendered	**148,600**	703,839
Rental	**600,000**	600,000
Sales of goods/equipment	**106,080**	–
Others		
Payments received on behalf of	**32,886**	–
Payments made on behalf of	**61,593**	–
With directors		
Others		
Advances made to	**–**	25,000
Loan received from	**3,000,000**	–

21 RELATED PARTIES TRANSACTIONS (CONTINUED)

b) Key management personnel compensation:

	Group	
	2017	**2016**
	$	**$**
Key management personnel's remuneration		
– Salaries and bonuses	**774,038**	887,841
– Defined contribution plans	**83,873**	117,576
– Fees	**180,339**	163,000
	1,038,250	1,168,417

22 LEASE COMMITMENTS

Where the Group is a lessee

The Group leases vehicles and several premises for its centralised dishware washing facilities from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group	
	2017	**2016**
	$	**$**
Not later than one financial year	**704,851**	592,638
Later than one financial year but not later than five financial years	**1,525,317**	1,222,353
	2,230,168	1,814,991

Where the Group is a lessor

As at 31 December 2017, the Group leases out vehicles space to non-related parties under non-cancellable operating leases.

The future minimum lease amounts receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2017	**2016**
	$	**$**
Not later than one financial year	**433,310**	500,000

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23 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

Financial instruments at their carrying amounts at reporting date are as follows:

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
Financial assets				
Trade and other receivables	**3,316,334**	3,156,223	**2,482,195**	2,851,442
Cash and cash equivalents	**751,571**	1,065,165	**35,418**	230,299
Loans and receivables	**4,067,905**	4,221,388	**2,517,613**	3,081,741
Financial liabilities				
Trade and other payables	**5,136,531**	1,990,680	**6,651,206**	5,168,288
Loans and borrowings	**11,597,842**	12,196,378	**–**	–
Financial liabilities at amortised cost	**16,734,373**	14,187,058	**6,651,206**	5,168,288

b) Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures financial risk.

Foreign currency risk

The Group does not have exposure to foreign currency risk as its transactions, assets and liabilities are mainly denominated in Singapore dollar.

23 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Interest rate risk

The Group's exposure to interest rate risk arises primarily from loans and borrowings. Loans and borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates). The Group does not use derivatives to hedge its interest rate. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

Sensitivity analysis for interest rate risk

The sensitivity analysis below have been determined based on the exposure to interest rates for loans and borrowings at the end of reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of loans and borrowings that have floating rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD. If the SGD interest rates increase/decrease by 50 (2016: 50) basis points with all other variables including tax rate being held constant, the loss of the Group will be higher/lower by $42,056 (2016: $48,162) respectively as a result of higher/lower interest expense on these loans and borrowings.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the management.

As at the end of the reporting period, the Group's trade receivables are all due from debtors located in Singapore. The Group's trade receivables comprise 1 debtor (2016: 1 debtor) that represented approximately 10% (2016: 12%) of the trade receivables.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the amount of $14,570,000 (2016: $15,126,000) relating to corporate guarantees given by the Company to the banks for facilities granted to related parties and subsidiaries.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit worthy customers with good payment records with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables of the Group that are past due but not impaired are as follows:

	Group	
	2017	**2016**
	$	**$**
Past due < 30 days	**424,476**	571,979
Past due 31 to 60 days	**332,026**	335,347
Past due 61 to 90 days	**174,200**	329,762
Past due over 90 days	**658,396**	683,590
	1,589,098	1,920,678

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities (Note 17).

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

23 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Repayable on demand or within 1 year $	Within 2 to 5 years $	Over 5 years $	Total $
Group				
2017				
Trade payables	**579,944**	**–**	**–**	**579,944**
Other payables	**1,556,587**	**–**	**–**	**1,556,587**
Loans and borrowings	**4,304,220**	**4,639,207**	**6,391,047**	**15,334,474**
Amount due to a director	**–**	**3,000,000**	**–**	**3,000,000**
	6,440,751	**7,639,207**	**6,391,047**	**20,471,005**
2016				
Trade payables	491,158	–	–	491,158
Other payables	1,499,522	–	–	1,499,522
Loans and borrowings	4,159,251	4,578,412	5,216,966	13,954,629
	6,149,931	4,578,412	5,216,966	15,945,309
Company				
2017				
Other payables	**5,231,206**	**1,420,000**	**–**	**6,651,206**
2016				
Other payables	5,168,288	–	–	5,168,288

23 FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table below show the contractual expiry by maturity of the Group's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Repayable on demand or within 1 year $
Company	
2017	
Financial liabilities	
Financial guarantee	**14,570,000**
2016	
Financial liabilities	
Financial guarantee	15,126,000

24 FAIR VALUES OF ASSETS AND LIABILITIES

a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

(i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

(iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1, Level 2 and Level 3 during the financial years ended 31 December 2016 and 2017.

24 FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of assets and liabilities measured at fair value on the statement of financial position at the end of the reporting date:

	Level 1 $	Level 2 $	Level 3 $	Total $
Group				
2017				
Non-financial asset:				
Investment properties (Note 13)	**–**	**–**	**4,570,000**	**4,570,000**
2016				
Non-financial asset:				
Investment properties (Note 13)	–	–	4,791,324	4,791,324

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at financial year end.

Management is responsible for selecting and engaging valuation experts that possesses the relevant credentials and knowledge for the valuation of the investment properties.

For valuation performed by independent professional valuer, management reviews the appropriateness of the valuation methodologies and assumptions adopted. In determining the fair value of the investment properties, the valuation of the investment properties is based on comparable market transactions of similar properties and the estimated future income stream to be achieved from the property.

c) Movements in Level 3 assets and liabilities measured at fair value

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements:

	Investment properties	
	2017 $	2016 $
Balance at beginning of financial year	**4,791,324**	4,775,000
Fair value (loss)/gain recognised in profit or loss	**(221,324)**	5,000
Additions	**–**	11,324
Balance at end of financial year	**4,570,000**	4,791,324

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from financial years ended 31 December 2016 and 2017.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2017.

26 SEGMENT INFORMATION

The Group has only one operating segment from the dishware washing and cleaning services. Management has not identified any business or operating units separately for purpose of making decisions about resource allocation and performance assessment.

Information about major customers

Revenue of $2,718,000 (2016: $2,491,000) are derived from one customer (2016: one customer) who individually contributed 10% or more of the Group's revenue.

Geographical information

The Group's revenues from external customers are derived solely from customers in Singapore. The non-current assets of the Group are all located in Singapore.

27 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors dated 4 April 2018.

Shareholders' Statistics

AS AT 20 MARCH 2018

CLASS OF SHARES

Ordinary Shares

NUMBER OF SHARES

132,000,000

NUMBER OF ORDINARY SHAREHOLDERS

The number of ordinary shareholders as at 20 March 2018 is 265.

VOTING RIGHTS

1 vote for each Ordinary Share held

TREASURY SHARES

Nil

SUBSIDIARY HOLDINGS

Nil

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information provided and to the best knowledge of the Directors, approximately 30.11% of the total number of issued shares (excluding treasury shares) in the capital of the Company are held in the hands of the public as at 20 March 2018. Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has therefore been complied with.

DISTRIBUTION OF SHAREHOLDINGS AS AT 20 MARCH 2018

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	42	15.85	40,200	0.03
1,001 – 10,000	74	27.93	384,100	0.29
10,001 – 1,000,000	139	52.45	18,101,300	13.71
1,000,001 AND ABOVE	10	3.77	113,474,400	85.97
TOTAL	**265**	**100.00**	**132,000,000**	**100.00**

Shareholders' Statistics

AS AT 20 MARCH 2018

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2018

Substantial Shareholder	Shareholdings registered in the name of the substantial shareholder	Shareholdings in which the substantial shareholder are deemed to be interested	Total	Percentage of issued shares
Pang Pok	28,260,000	50,000,000#	78,260,000	59.29%
Maxi-Harvest Group Pte. Ltd.	13,990,000	–	13,990,000	10.60%
Lee Sai Sing	–	13,990,000*	13,990,000	10.60%

\# Mr Pang Pok is deemed to be interested in the 50,000,000 shares of the Company held through Citibank Nominees Singapore Pte Ltd.

* Mr Lee Sai Sing is deemed to be interested in the 13,990,000 shares of the Company held through Maxi-Harvest Group Pte. Ltd. where he is the sole shareholder.

TOP 20 SHAREHOLDERS AS AT 20 MARCH 2018

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	50,000,000	37.88
2	PANG POK	28,260,000	21.41
3	MAXI-HARVEST GROUP PTE LTD	13,990,000	10.60
4	HSBC (SINGAPORE) NOMINEES PTE LTD	5,940,000	4.50
5	PANG LIM	3,615,600	2.74
6	TAN POK MIN	3,600,000	2.73
7	KEK YEW LENG @KEK BOON LEONG	3,400,000	2.58
8	AU SWEE LING	1,800,000	1.36
9	PHILLIP SECURITIES PTE LTD	1,580,800	1.20
10	FONG KIM CHIT	1,288,000	0.98
11	CHEW KEA KOON	1,000,000	0.76
12	ALPHAGREAT PTE LTD	957,000	0.73
13	TEO HOO MENG	955,000	0.72
14	QUEK WAN CHING	900,000	0.68
15	THE KONGZI CULTURE FUND LTD	850,000	0.64
16	KWEK PING LING (GUO BINGLING)	800,000	0.61
17	PHOON HAR KWONG @JAMES PHOON	720,000	0.55
18	ANG HAO YAO (HONG HAOYAO)	521,800	0.40
19	GOH GUAN SIONG (WU YUANXIANG)	500,000	0.38
20	LEE TECK HUAT	480,000	0.36
	TOTAL	**121,158,200**	**91.81**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 8 Loyang Way 4, Singapore 507604 on Thursday, 26 April 2018 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statements and the Audited Financial Statements for the financial year ended 31 December 2017 together with the Auditors' Report thereon. **[Resolution 1]**

2. To re-elect Mr Pang Pok as Director who is retiring pursuant to Article 113 of the Company's Constitution. [See Explanatory Note (i)] **[Resolution 2]**

3. To re-elect Mr Chow Kek Tong as Director who is retiring pursuant to Article 113 of the Company's Constitution. [See Explanatory Note (ii)] **[Resolution 3]**

4. To approve the payment of directors' fees of S$163,000 for the financial year ending 31 December 2018, to be paid quarterly in arrears (FY2017: S$163,000). **[Resolution 4]**

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:–

6. **ORDINARY RESOLUTION – AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES** **[Resolution 6]**

"That pursuant to Section 161 of the Companies Act, Chapter 50 ("**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Section B: Rules of Catalist ("**Catalist Rules**") and Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, "Instruments") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase shares, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:

(i) additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:–

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercising of share options or vesting of share awards outstanding and/or subsisting at the time this Resolution is passed; provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act, and otherwise, the Constitution for the time being of the Company; and

(4) (unless previously revoked or varied by the Company in general meeting) such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."
[See Explanatory Note (iii)]

7. **ORDINARY RESOLUTION – AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE GS HOLDINGS EMPLOYEE SHARE OPTION SCHEME** **[Resolution 7]**

"That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to:

(i) offer and grant options ("**Options**") from time to time in accordance with the provisions of the GS Holdings Employee Share Option Scheme ("**GS Holdings ESOS**"); and

(ii) allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the GS Holdings ESOS,

provided always that aggregate number of Shares to be issued and issuable pursuant to the exercise of options under the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), on the day immediately preceding the date on which an offer to grant an Option is made and that the grant of Options can be made at any time and from time to time."
[See Explanatory Note (iv)]

Notice of Annual General Meeting

8. **ORDINARY RESOLUTION – AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE GS HOLDINGS PERFORMANCE SHARE PLAN** **[Resolution 8]**

"That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to:

(i) offer and grant awards ("**Awards**") from time to time in accordance with the provisions of the GS Holdings Performance Share Plan ("**GS Holdings PSP**"); and

(ii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of Awards granted under the GS Holdings PSP,

provided always that aggregate number of Shares to be issued and issuable pursuant to the GS Holdings ESOS, GS Holdings PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) on the day immediately preceding the date on which an Award is granted."
[See Explanatory Note (v)]

Any Other Business

9. To transact any other business which may be properly be transacted at an Annual General Meeting.

On Behalf of the Board

Pang Pok
Executive Chairman and Chief Executive Officer

11 April 2018

Notice of Annual General Meeting

Explanatory Notes:

(i) Mr Pang Pok will, upon re-election as Director of the Company, remain as the Executive Chairman and Chief Executive Officer of the Cmpany. Detailed information on Mr Pang Pok is found under the "Board of Directors" section in the Company's Annual Report.

(ii) Mr Chow Kek Tong will, upon re-election as Director of the Company, remain as the Chairman of Remuneration Committee and a member of Nominating Committee and Audit and Risk Committee. The Board considers Mr Chow Kek Tong to be independent pursuant to Rule 704(7) of the Catalist Rules. Detailed information on Mr Chow Kek Tong is found under the "Board of Directors" section in the Company's Annual Report.

(iii) **Resolution 6**, if passed, will empower the Directors from the date of this annual general meeting until the date of the next annual general meeting or the date by which the next general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make of grant instruments convertible into shares and to issue shares pursuant to such instruments. The aggregate number of share (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company, of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company.

(iv) **Resolution 7**, if passed, will empower the Directors of the Company, to offer and grant options under the GS Holdings ESOS and to allot and issue shares pursuant to the exercise of such options under the GS Holdings ESOS not exceeding fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

(v) **Resolution 8**, if passed, will empower the Directors of the Company, to allot and issue Shares pursuant to the vesting of Awards under the GS Holdings PSP not exceeding fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

Note:

1. A member of the Company shall be entitled to appoint not more than two proxies to attend and vote at the annual general meeting on his behalf. A proxy need not be a member of the Company.

2. If the appointor is a corporation, the instrument appointing proxy or proxies must be executed either under its common seal or signed under the hand of its attorney duly authorized on behalf of the corporation.

3. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the annual general meeting. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act (Cap 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Future Act (Cap. 289) and holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund (Cap. 36), in respect of shares purchased on behalf of CPF investors.

4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 8 Loyang Way 4 Singapore 507604 not less than 48 hours before the time appointed for the holding of the Annual General Meeting of the Company.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

ANNUAL GENERAL MEETING

PROXY FORM

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 3 for the definition of "relevant intermediary").
2. For Supplementary Retirement Scheme ("SRS Investors") who have used their SRS monies to buy shares in the Company's shares, the proxy form is not valid for use and shall be ineffective for all intends and purposes if used or purported to be used by them, SRS Investors should contact their SRS Approved Agents if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes of this Proxy Form.

I/We ______________________ (name) ____________ (NRIC/Passport No./Company Registration No.)
of ____ (address)

being a member/members of **GS HOLDINGS LIMITED** (the "**Company**") hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and vote for me/us and on my/our behalf, by poll, at the AGM of the Company to be held at 8 Loyang Way 4, Singapore 507604 on Thursday, 26 April 2018 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for and against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM.

Please indicate your vote "For" or "Against" with an "X" within the boxes provided.

No.	Resolutions Relating To:	For	Against
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2017 together the Auditors' Report.		
2	Re-election of Mr Pang Pok as a Director.		
3	Re-election of Mr Chow Kek Tong as a Director.		
4	Approval of directors' fees of S$163,000 for the financial year ending 31 December 2018, payable in arrears.		
5	Re-appointment of Baker Tilly TFW LLP as auditors and authority to fix their remuneration.		
6	Authority to issue new shares or convertible securities pursuant to Section 161 of the Companies Act, Chapter 50.		
7	Authority to issue shares pursuant to the GS Holdings Employees' Share Option Scheme.		
8	Authority to issue shares pursuant to the GS Holdings Performance Share Plan.		

* Please indicate your vote "For" or "Against" with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ________________ 2018

Total number of Shares	No. of Shares
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at a meeting of the Company on his/her behalf. A proxy need not be a member of the Company. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

3. Pursuant to Section 181 of the Companies Act, Cap 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the AGM. Relevant intermediary means:

   (a) a banking corporation licensed under the Banking Act (Cap 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Future Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Loyang Way 4 Singapore 507604 not less than 48 hours before the time set for the AGM.

6. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney the letter or the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GENERAL

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

GS HOLDINGS LIMITED

(Incorporated in Singapore on 19 September 2014)
(Company Registration Number: 201427862D)

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