

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

Proposed Acquisition of the Entire Issued Share Capital of Hao Kou Wei Pte. Ltd.
— Completion

1. INTRODUCTION

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 17 December 2018 (“**Announcement**”) and the circular dated 11 February 2019 (“**Circular**”) in respect of, among others, the proposed acquisition by the Company’s wholly-owned subsidiary, Hawkerway Pte. Ltd., of the entire issued share capital of Hao Kou Wei Pte. Ltd. for a purchase consideration of S\$3,600,000.

Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall have the meanings ascribed to them in the Announcement and Circular.

2. COMPLETION OF THE PROPOSED ACQUISITION

The Board is pleased to announce that the Vendor and the Purchaser have agreed to proceed with completion of the Proposed Acquisition today. Following completion, the Target is now an indirect 100%-owned subsidiary of the Company.

In accordance with the terms of the Acquisition Agreement, the 30% of the Consideration, being the sum of S\$1,080,000, is to be satisfied by way of payment in cash. The Vendor and the Purchaser have further agreed that notwithstanding that the Proposed Acquisition is completed today, the Purchaser shall have up until 15 April 2019 to pay the cash portion of the Consideration to the Vendor.

3. LISTING OF CONSIDERATION SHARES

In accordance with the terms of the Acquisition Agreement, the remaining 70% of the Consideration, being the sum of S\$2,520,000, is satisfied by way of the issuance and allotment of 14,000,000 Consideration Shares at an Issue Price of S\$0.18 per Consideration Share.

Following the allotment and issue of the Consideration Shares, the total number of issued Shares in the Company has increased from 140,348,000 Shares to 154,348,000 Shares. The Consideration Shares shall rank *pari passu* with the existing issued Shares save for any dividends, rights, allotments, or other distribution (if any) the record date of which falls on or before the date of issue of such Consideration Shares.

As announced by the Company on 25 March 2019, the Company has received the listing and quotation notice (the “**LQN**”) from the SGX-ST for the listing and quotation of, among others, the 14,000,000 Consideration Shares. The LQN is not to be taken as an indication of the merits of the Consideration Shares, Proposed Acquisition, the Company, its subsidiaries and their securities.

4. THE BUKIT BATOK LEASE

4.1 Details of and Rationale of the Bukit Batok Lease

As set out in the Circular, the Target has been leasing from Mr Pang Pok, the Company's Executive Chairman and Chief Executive Officer and controlling shareholder, part of the premises at 271 Bukit Batok East Avenue 4 for the operation of one of its food courts. With the completion of the Proposed Acquisition, the Bukit Batok Lease constitutes an interested person transaction under Chapter 9 of the Catalyst Rules, with Mr Pang Pok being the "interested person" vis-à-vis the Target which is regarded as an "entity at risk".

The salient details of the Bukit Batok Lease are set out below:-

Landlord	Mr Pang Pok, being the Company's Executive Chairman and Chief Executive Officer and controlling shareholder
Tenant	The Target, Hao Kou Wei Pte. Ltd., an indirect 100%-owned subsidiary of the Company
Area of leased premises	351.0 square metres plus 84.0 square metres of outdoor refreshment area
Rental per month	(i) S\$28,000 for the first year (ii) S\$29,000 for the second year (iii) S\$30,000 for the third year The rental was arrived at based on the independent valuation conducted on 18 December 2018 (" Independent Valuation ") and negotiation between parties.
Lease term	Lease term of 3 years with an option to renew for a further 3 years
Revised rental upon renewal	Increase in rent shall be limited to a sum not exceeding 20.0% of S\$30,000 as may be agreed between the parties
Security deposit (months):	S\$28,000 (1 month)
Interest rate on late rental payment	5.0% per annum

The leased premises under the Bukit Batok Lease will be used for the Group's operation of its coffee shop and / or eating house. The Bukit Batok Lease has been assessed to be in the commercial interest of the Group after taking into consideration the Independent Valuation which reflects a recommended net rental of S\$33,000 per month for the leased premises.

The estimated rental fee payable under the Bukit Batok Lease for the period commencing from the date of completion of the Proposed Acquisition to the expiry of the initial term of 3 years is approximately S\$932,000, which represents approximately 30% of the Group's audited net tangible assets ("**NTA**") for the financial year ended 31 December 2017 ("**FY2017**") (being the latest audited NTA of the Group available as at the date of this announcement).

4.2 Total Value of all Interested Person Transactions

The current total value of all interested person transactions, excluding transactions which are less than S\$100,000, with (i) Mr Pang Pok (being the interested person in respect of the Bukit Batok Lease), and (ii) all interested persons of the Company, for the period from 1 January 2019 to the date of this announcement is set out below: -

Name of interested person	Details of interested person transaction	Aggregate value of interested transactions (excluding transactions less than S\$100,000)
Mr Pang Pok	Bukit Batok Lease	S\$325,000

Save as disclosed above, there are no other interested person transaction above S\$100,000 for the period from 1 January 2019 to the date of this announcement.

4.3 Rule 916(1) Exemption

As the value of the Bukit Batok Lease is more than 5% of the Group's latest audited NTA for FY2017 (being the latest audited NTA of the Group available as at the date of this announcement), pursuant to Rule 906 of the Catalist Rules, the Company is required to obtain Shareholders' approval for the Bukit Batok Lease as an interested person transaction. However, as the Bukit Batok Lease is for a term of not more than 3 years and is supported by the Independent Valuation, the Bukit Batok Lease falls within the exemption under Rule 916(1) of the Catalist Rules. Accordingly, the Company is not required to seek Shareholders' approval under Rule 906 of the Catalist Rules for the Bukit Batok Lease.

In any event, the Company has appointed the IFA to provide an opinion as to whether the Bukit Batok Lease is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Shareholders may wish to refer to **Appendix B** of the Circular for the advice of the IFA to the Independent Directors.

Shareholder should note that in the event that the Company intends to exercise the option to renew the Bukit Batok Lease for a further term of 3 years, the Company will commission for an independent valuation to be carried out on the Bukit Batok Lease prior to its renewal in order for the renewal of the Bukit Batok Lease to qualify for the exemption under Rule 916(1). The Company will make the relevant announcement(s) at the appropriate juncture(s) as required under the Catalist Rules in this regard.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors or controlling shareholders of the Company has any direct or indirect interest (other than through their respective shareholdings in the Company), in the Bukit Batok Lease.

By Order of the Board

Pang Pok
Executive Chairman and Chief Executive Officer

1 April 2019

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

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

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