



**GS HOLDINGS LIMITED**

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

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**Unaudited Half-Year Financial Statements And Dividend Announcement  
For The Financial Period Ended 30 June 2018**

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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 Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. 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.

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.

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Income Statement**

	Group 6-month Period Ended 30 June 2018 \$'000	Group 6-month Period Ended 30 June 2017 \$'000	Increase/ (Decrease) %
Revenue	5,037	4,820	5%
Cost of sales	(5,192)	(5,299)	(2%)
<b>Gross Loss</b>	<b>(155)</b>	<b>(479)</b>	<b>(68%)</b>
Other income	594	553	7%
Administrative expenses	(1,443)	(1,708)	(16%)
Finance costs	(223)	(202)	10%
<b>Loss before tax</b>	<b>(1,227)</b>	<b>(1,836)</b>	<b>(33%)</b>
Income tax credits/(expense)	-	11	N.M.
<b>Loss for the period</b>	<b>(1,227)</b>	<b>(1,825)</b>	<b>(33%)</b>
<b>Attributable to:</b>			
Equity holders of the Company	(1,236)	(1,806)	(32%)
Non-controlling interests	9	(19)	N.M.
	<b>(1,227)</b>	<b>(1,825)</b>	<b>(33%)</b>

**Statement of Comprehensive Income**

	Group 6-month Period Ended 30 June 2018 \$'000	Group 6-month Period Ended 30 June 2017 \$'000	Increase/ (Decrease) %
Loss for the period	(1,227)	(1,825)	(33%)
Other comprehensive income/(loss)	-	-	
Total comprehensive loss for the period	(1,227)	(1,825)	(33%)
Total comprehensive loss attributable to:-			
Equity holders of the Company	(1,236)	(1,806)	(32%)
Non-controlling interests	9	(19)	N.M.
	<b>(1,227)</b>	<b>(1,825)</b>	<b>(33%)</b>

N.M. – Not Meaningful

**1(a)(ii) Notes to the Income Statement**

	<b>Group 6-month Period Ended 30 June 2018 \$'000</b>	<b>Group 6-month Period Ended 30 June 2017 \$'000</b>	<b>Increase/ (Decrease) %</b>
Loss for the period include the following (charges)/credits:			
Personnel expenses	(2,851)	(3,369)	(15%)
Subcontractors' expenses	(993)	(250)	297%
Depreciation of property, plant and equipment	(689)	(756)	(9%)
Rental expense	(333)	(311)	7%
Finance expenses	(223)	(202)	10%
Government grants and incentives	257	251	2%

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

## STATEMENT OF FINANCIAL POSITION

	Group As at 30 Jun 2018 \$'000	Group As at 31 Dec 2017 \$'000	Company As at 30 Jun 2018 \$'000	Company As at 31 Dec 2017 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10,700	11,363	–*	–*
Investment properties	4,570	4,570	–	–
Investments in subsidiaries	–	–	13,071	13,071
	<u>15,270</u>	<u>15,933</u>	<u>13,071</u>	<u>13,071</u>
<b>Current assets</b>				
Inventories	52	39	–	–
Trade and other receivables	3,464	3,474	5,126	2,484
Cash and bank balances	480	752	46	35
	<u>3,996</u>	<u>4,265</u>	<u>5,172</u>	<u>2,520</u>
<b>Total assets</b>	<u>19,266</u>	<u>20,198</u>	<u>18,243</u>	<u>15,591</u>
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	11,498	11,498	11,498	11,498
Assets revaluation reserve	2,919	2,919	–	–
Accumulated losses	(6,479)	(5,243)	(2,545)	(2,576)
Merger Reserve	(6,071)	(6,071)	–	–
<b>Equity attributable to equity holders of the Company</b>	<u>1,867</u>	<u>3,103</u>	<u>8,953</u>	<u>8,922</u>
<b>Non-controlling interests</b>	<u>(13)</u>	<u>(22)</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>	<u>1,854</u>	<u>3,081</u>	<u>8,953</u>	<u>8,922</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	6,984	7,788	–	–
Amount due to a director	4,000	3,000	4,000	1,420
	<u>10,984</u>	<u>10,788</u>	<u>4,000</u>	<u>1,420</u>
<b>Current Liabilities</b>				
Trade and other payables	2,902	2,519	5,290	5,249
Loans and borrowings	3,526	3,810	–	–
	<u>6,428</u>	<u>6,329</u>	<u>5,290</u>	<u>5,249</u>
<b>Total liabilities</b>	<u>17,412</u>	<u>17,117</u>	<u>9,290</u>	<u>6,669</u>
<b>Total equity and liabilities</b>	<u>19,266</u>	<u>20,198</u>	<u>18,243</u>	<u>15,591</u>

\*amount below S\$1,000

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 30 June 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,526	nil	3,810	nil

**Amount repayable after one year**

As at 30 June 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,984	nil	7,788	nil

**Details of collateral**

Bank loans amounting to S\$9,270,000 (31 December 2017: S\$10,135,000) are secured by:-

- (i) legal mortgage over the Group's investment properties;
- (ii) assignment of rental proceeds and all rights of the tenancy agreements;
- (iii) legal mortgage over the Group's leasehold property;
- (iv) corporate guarantee from holding company and fellow subsidiaries; and
- (v) legal mortgages over certain personal properties of a director of the Group.

Finance lease liabilities amounting to S\$1,240,000 (31 December 2017: S\$1,463,000) are secured by the rights to the Group's motor vehicles and machinery.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**STATEMENT OF CASH FLOWS**

	<b>Group 6-month Period Ended 30 June 2018 \$'000</b>	<b>Group 6-month Period Ended 30 June 2017 \$'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(1,227)	(1,836)
Adjustments for:		
Depreciation charge on property, plant and equipment	689	756
Interest expense	223	202
Operating cash flow before working capital changes	(315)	(878)
Changes in working capital:		
Inventories	(13)	98
Receivables	10	(336)
Payables	383	(361)
Cash flows generated from/(used in) operations	65	(1,477)
Income tax refund	–	6
Interest expenses	(223)	(202)
<b>Net cash used in operating activities</b>	<b>(158)</b>	<b>(1,673)</b>
 <b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(26)	(268)
<b>Net cash used in investing activities</b>	<b>(26)</b>	<b>(268)</b>
 <b>Cash flow from financing activities</b>		
Repayment of obligations under finance lease	(223)	(160)
Proceeds from finance lease	–	1,066
Repayment of loans and borrowings	(865)	(788)
Loan from a director	1,000	2,000
<b>Net cash (used in)/generated from financing activities</b>	<b>(88)</b>	<b>2,118</b>
 <b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(272)</b>	<b>177</b>
Cash and cash equivalents at beginning of the period	752	1,065
<b>Cash and cash equivalents at end of the period</b>	<b>480</b>	<b>1,242</b>

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### STATEMENT OF CHANGES IN EQUITY

##### Group

	Share capital \$'000	Asset Revaluation Reserve \$'000	Accumulated Losses \$'000	Merger Reserve \$'000	Total attributable to owners of the Company \$'000	Non- controlling interest \$'000	Total equity \$'000
<b>At 1 January 2018</b>	11,498	2,919	(5,243)	(6,071)	3,103	(22)	3,081
Loss for the period	–	–	(1,236)	–	(1,236)	9	(1,227)
<b>At 30 June 2018</b>	<b>11,498</b>	<b>2,919</b>	<b>(6,479)</b>	<b>(6,071)</b>	<b>1,867</b>	<b>(13)</b>	<b>1,854</b>
<b>At 1 January 2017</b>	11,498	2,919	(1,394)	(6,071)	6,952	7	6,959
Loss for the period	–	–	(1,806)	–	(1,806)	(19)	(1,825)
<b>At 30 June 2017</b>	<b>11,498</b>	<b>2,919</b>	<b>(3,200)</b>	<b>(6,071)</b>	<b>5,146</b>	<b>(12)</b>	<b>5,134</b>

##### Company

	Share capital \$'000	Accumulated Losses \$'000	Total \$'000
<b>At 1 January 2018</b>	11,498	(2,576)	8,922
Profit for the period	–	31	31
<b>At 30 June 2018</b>	<b>11,498</b>	<b>(2,545)</b>	<b>8,953</b>
<b>At 1 January 2017</b>	11,498	(528)	10,970
Loss for the period	–	(7)	(7)
<b>At 30 June 2017</b>	<b>11,498</b>	<b>(535)</b>	<b>10,963</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<b>Issued and fully paid ordinary shares</b>	<b>No. of shares ('000)</b>	<b>Share capital (\$'000)</b>
As at 30 June 2018 and 31 December 2017	132,000	11,498

There are no outstanding convertibles as at 30 June 2018 and 30 June 2017.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 30 June 2018 and 31 Dec 2017</b>
Total number of issued shares (excluding treasury shares)	132,000,000

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no treasury shares held by the Company during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors of the Company.



**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The financial results for the financial period under review have been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the financial year ended 31 December 2017.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("IFRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of these new/revised FRSs and IFRSs has no material effect on the financial results or position of the Group and the Company.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	<b>Group 6-month Period Ended 30 June 2018 \$'000</b>	<b>Group 6-month Period Ended 30 June 2017 \$'000</b>
Loss attributable to owners of the Company	(1,236)	(1,806)
Weighted average number of ordinary shares ('000)	132,000	132,000
Basic and diluted loss per share (cents)	(0.94)	(1.37)

The basic and diluted loss per share are the same as there were no dilutive ordinary shares in issue as at 30 June 2018 and 30 June 2017.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

**(a) current financial period reported on; and (b) immediately preceding financial year.**

	<b>Group As at 30 June 2018 \$'000</b>	<b>Group As at 31 Dec 2017 \$'000</b>	<b>Company As at 30 June 2018 \$'000</b>	<b>Company As at 31 Dec 2017 \$'000</b>
Net asset value attributable to equity holders of the Company	1,867	3,103	8,953	8,922
Number of ordinary shares ('000)	132,000	132,000	132,000	132,000
Net asset value per ordinary share (cents)	1.41	2.35	6.78	6.76

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**REVIEW OF THE GROUP'S PERFORMANCE**

**The following review of the performance of the Group is in relation to the six months financial ended 30 June 2018 ("1H2018") as compared to the six months financial period ended 30 June 2017 ("1H2017").**

Revenue

Our revenue increased by approximately S\$217,000 or 5% mainly due to additional contracts secured from the food and beverage ("F&B") outlets in Changi Airport as the Group has commenced its operations at the Changi Airport facility in October 2017.

Cost of sales and gross loss

Cost of sales decreased marginally by approximately S\$107,000 or 2% even though there was an increase in revenue by approximately 5%. This was mainly due to the cost-control and efficiency improvement measures taken by the Group since the beginning of 2018. As a result of these measures, there were reduction in some of the operating expenses, for example cleaning chemical and detergent expenses, maintenance expenses, and workers' salaries.

Workers' salaries and related expenses decreased substantially by approximately S\$510,000, mainly due to reduction of workers in the logistics department. However, the decrease was offset by a substantial increase in the subcontractors' expenses by approximately S\$780,000 arising from the sub-contracting of the logistics function to an external logistics service provider.

With the higher revenue and lower cost of sales mentioned above, the gross loss decreased by S\$324,000 or 68% to S\$155,000.

#### Other income

Other income increased by approximately S\$41,000 or 7% mainly due to rental income from some vehicles which were rented to the logistics service provider.

#### Administrative expenses

Administrative expenses decreased by approximately S\$265,000 or 16% mainly due to (i) a decrease in salaries and related expenses of S\$110,000 arising from an overall decrease in senior executives headcount; (ii) cancellation of some staff welfares; and (iii) absence of some professional fees incurred in 1H2017.

#### Finance Cost

Finance costs increased by approximately S\$21,000, or 10% mainly due to higher interest rate charged on loans and borrowings.

Overall, the Group reported loss before tax of S\$1.2 million in 1H2018, compared to loss before tax of S\$1.8 million in 1H2017.

### **REVIEW OF THE GROUP'S FINANCIAL POSITION**

**The following review of the financial position of the Group is in relation to 30 June 2018 as compared to 31 December 2017.**

#### Non-current assets

Property, plant and equipment decreased by S\$663,000 was mainly due to the depreciation charge of S\$689,000 during 1H2018.

#### Current assets

Trade and other receivables decreased by S\$10,000 as a result of an increase in revenues offset by higher collections of trade receivables in 1H2018.

#### Non-current liabilities

Non-current loans and borrowings decreased by S\$804,000 was mainly due to progressive repayment of loans and borrowings during 1H2018.

Amount due to a director increased by S\$1.0 million was mainly due to an additional loan of S\$1.0 million was provided to the Group for working capital purposes.

#### Current liabilities

Trade and other payables increased by S\$383,000 was mainly due to increase in amount due to a logistics service provider as a result of the sub-contracting of the logistics function.

Current loans and borrowings decreased by S\$284,000 was mainly due to progressive repayment during 1H2018.

#### Equity

Overall, the Group's total equity decreased by S\$1.2 million from S\$3.1 million as at 31 December 2017 to S\$1.9 million as at 30 June 2018. The decrease was mainly due to the operating loss of S\$1.2 million incurred during 1H2018.

#### Negative working capital

The Group has a negative working capital of approximately S\$2.4 million as at 30 June 2018. Based on the management's internal cash flow projection, and subject to successful fund raising exercises which the Group is currently exploring, the Board is of the view that the Group is able to meet its current and future obligations in the next 12 months.

## REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Overall, the Group reported a net decrease in cash and cash equivalents of S\$272,000 from S\$752,000 as at 31 December 2017 to S\$480,000 as at 30 June 2018. The decrease was mainly due to cash used in operating expenses of S\$158,000 and repayment of loans and borrowings of S\$1.09 million, offset by a loan from a director of S\$1.0 million.

### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was disclosed to shareholders previously.

### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group has commenced operations at the leased Centralised Dishwashing Facility at Changi Airport in October 2017. With the recent opening of Terminal 4 and soon-to-be-completed Jewel project, we expect to improve revenue contribution from our Changi Airport facility in the second half of 2018 and 2019.

Nevertheless, the Group's performance of the financial year ending 31 December 2018 to continue to be markedly affected by the continuous competitive market environment. To remain competitive, the Group will continue to implement cost-control measures and improving work flow processes, manpower utilisation and information technology applications in order to increase productivity, efficiency and lower operating costs.

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.

### **11. Dividend**

If a decision regarding dividend has been made:-

#### **(a) Whether an interim (final) dividend has been declared (recommended); and**

No dividend has been declared for 1H2018.

#### **(b) Amount per share (cents) and previous corresponding period (cents).**

None. No dividend has been declared for 1H2017.

#### **(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

#### **(d) The date the dividend is payable.**

Not applicable.

#### **(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for 1H2018.

**13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group had on 26 April 2018 obtained a general mandate from its shareholders for IPTs. For details, please refer to the Company’s circular dated 11 April 2018.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000	S\$'000
Hao Kou Wei Pte Ltd	296 <sup>(1)</sup>	72 <sup>(1)</sup>
Hawker Management Pte Ltd	-	340 <sup>(2)</sup>

Notes:

- (1) S\$296,000 relates to the rental paid/payable by Hao Kou Wei Pte Ltd pursuant to the supplemental lease agreements dated 1 November 2017 and 1 May 2018 to a lease agreement dated 1 December 2014, and S\$72,000 relates to cleaning services provided to the Company. 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 cleaning services provided to Hawker Management Pte Ltd. 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.

**14. Confirmation pursuant to Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7H) as required under Rule 720(1) of the Catalist Rules.

**15. Confirmation pursuant to Rule 705(5) of the Catalist Rules**

On behalf of the Board of Directors of the Company, we, Pang Pok and Lee Sai Sing, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six months ended 30 June 2018 to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD**

**Pang Pok**  
**Executive Chairman and Chief Executive Officer**  
**2 August 2018**