



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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Pursuant to Rule 704(4) of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the board of directors (the "**Board**") of GS Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the independent auditor of the Group, Baker Tilly TFW LLP (the "**Independent Auditor**") has included a Material Uncertainty Related to Going Concern section in their report ("**Independent Auditor's Report**") on the audited financial statements of the Group and Company for the financial year ended 31 December 2017. The opinion of the Independent Auditor is not modified in respect of this matter.

The Independent Auditor's Report together with the extract of Note 3 to the financial statements are annexed to this announcement for information purposes.

Notwithstanding the above and barring any unforeseen circumstances, the Board is of the opinion that the Group will continue as a going concern for the following reasons:

- (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 higher than the total amount of secured bank loans outstanding as at 31 December 2017, therefore the Group is not precluded from applying for additional bank loans as and when needed; and
- (iii) Management has taken the following measures to improve the Group's operational performance and financial position:
 - (a) 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;
 - (b) Strengthen current customers' base with new customers in other food and beverage sector, and foster closer customer relationship by providing quality services to customers;
 - (c) Continuously seek improvements in the efficiency of the Group's centralised dishwashing process through enhancements and re-engineering of the workflow process; and
 - (d) Focus on reduction of direct labour related costs through close monitoring of the Group's manpower requirements

To the best of its knowledge, the Board (i) is of the opinion that sufficient material information has been disclosed for trading of the Company's securities to continue in an orderly manner; and (ii) confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

The Independent Auditor's Report will be part of the annual report of the Group for the financial year ended 31 December 2017 ("**Annual Report 2017**"), which will be despatched to shareholders in due course. Shareholders of the Company are advised to read this announcement in conjunction with the Annual Report 2017 in their entirety.

BY ORDER OF THE BOARD

Pang Pok
Executive Chairman and Chief Executive Officer

4 April 2018

*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.