

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

- (1) **ENTRY INTO CONVERTIBLE LOAN AGREEMENT FOR AN AGGREGATE AMOUNT OF RMB 68,000,000 (OR APPROXIMATELY S\$13,600,000)**
 - (2) **PROPOSED ISSUE OF UP TO 30,000,000 NON-LISTED, NON-TRANSFERABLE CL INTRODUCER WARRANTS (AS DEFINED BELOW), EACH CL INTRODUCER WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF GS HOLDINGS LIMITED**
-

1. INTRODUCTION

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 17 December 2018 entered into:

- (a) a convertible loan agreement (the “**Convertible Loan Agreement**”) with the Lenders (as defined below) pursuant to which the Lenders (as defined below) have agreed to extend to the Company loan facilities of an aggregate amount of RMB 68,000,000 (or approximately S\$13,600,000) (the “**Facilities**”); and
- (b) an introducer agreement (the “**CL Introducer Agreement**”) with Alto Vencap Pte. Ltd (the “**Introducer**”) pursuant to which the Company has agreed to, subject to, among others, the satisfaction of the conditions precedent (specified in paragraph 6.4 below), issue and allot to the Introducer up to 30,000,000 free non-listed and non-transferable warrants (the “**CL Introducer Warrants**”), each CL Introducer Warrant carrying the right to subscribe for one (1) new ordinary share in the Company (each a “**Share**”) (the “**CL Warrants Issue**”),

(the Facilities and CL Warrants Issue collectively, the “**Proposed Transactions**”).

2. THE FACILITIES

2.1 The Convertible Loan Agreement

Pursuant to the Convertible Loan Agreement, the Lenders have agreed to extend to the Company the Facilities. Any amount of loan drawn down by the Company under the Facilities in accordance with the Convertible Loan Agreement (each a “**Loan**”) can be converted into new Shares on the terms and subject to the conditions of the Convertible Loan Agreement.

As announced by the Company on 17 December 2018, the Company had also entered into a sale and purchase agreement in respect of the proposed acquisition by the Company of Hao Kou Wei Pte. Ltd. (the “**Proposed Acquisition**”), and placement agreements in respect of the proposed placement of 26,675,555 Shares (the “**Proposed Placement**”) to Marvel Earn Limited and Chong Paw Long (collectively, the “**Placees**”). The Company does not intend to draw down on the Facilities until the completion of the Proposed Acquisition and the Proposed Placement. Shareholders may wish to refer to the announcements released by the Company on 17 December 2018 for further information on the Proposed Acquisition and Proposed Placement.

2.2 Salient Terms of the Convertible Loan Agreement

The salient terms of the Convertible Loan Agreement are as follows:-

Lenders : (1) Guangzhou Yue Da Environmental Technology Development Co. Ltd.
(2) Guangzhou Green Valley Ecological Environment Co. Ltd.
(collectively, the “**Lenders**”, and each a “**Lender**”)

Aggregate Amount of the Facilities : RMB 68,000,000 (or approximately S\$13,600,000) to be made available by the Lenders in the following proportion:-

Lender	Amount of Facility
Guangzhou Yue Da Environmental Technology Development Co. Ltd.	RMB 34,000,000 (or approximately S\$6,800,000)
Guangzhou Green Valley Ecological Environment Co. Ltd.	RMB 34,000,000 (or approximately S\$6,800,000)

Each Lender shall not be obliged to provide a Loan (or Loans) for more than the aggregate amount set out against its name above.

Drawdown of a Loan at Option of Company : The Company may request for the drawdown of a Loan under a Facility at any time subject to:

- (a) the satisfaction (or waiver, where applicable) of the Conditions Precedent (as defined below);
- (b) the Company furnishing to the relevant Lender a written notice (the “**Utilisation Request**”) specifying, among others, the amount of the Loan to be drawn down and the date the Loan is to be disbursed (the “**Disbursement Date**”); and
- (c) the maximum amount of the Facility provided by the relevant Lender not having been utilised by the Company as at the date of such request.

Maturity Date : The maturity date in respect of a Loan (the “**Maturity Date**”) shall be such date falling three (3) years from the Disbursement Date for that Loan.

Interest : Each Loan shall bear interest at the rate of 8% per annum (the “**Interest Rate**”) commencing from the Disbursement Date for that Loan. Such interest on a Loan shall be paid by

the Company in arrears to the relevant Lender within 30 days of the end of each Interest Period (as defined below).

Notwithstanding the foregoing and save where the Lender has exercised its right of conversion in respect of a Loan, the Company shall be entitled to pay all the accrued interest on such Loan on the Maturity Date subject to the written approval of the relevant Lender. For the avoidance of doubt, in the event, that the Company elects to pay, and the relevant Lender agrees to the payment of, all interest accrued on a Loan on the Maturity Date, the interest payable on the Maturity Date shall be such amount of interest accrued on that Loan at the Interest Rate commencing from and on the Disbursement Date for that Loan up to and including the Maturity Date.

Interest Period : An interest period shall be for a period of 12 months, with the first interest period commencing on and from the Disbursement Date (each an “**Interest Period**”). Each Loan shall have successive Interest Periods.

Conversion Right : Each Lender shall have the right to convert all (or in parts) the Loans which have been disbursed by that Lender pursuant to a Utilisation Request / the Utilisation Request(s), including accrued interest, into fully paid new Shares (the “**Conversion Shares**”).

The number of Conversion Shares shall be based on the Conversion Formula (as defined below).

Conversion Period : In respect of a Loan, the period from and including the Disbursement Date for that Loan, up to and including the date which is three (3) years after such Disbursement Date.

Conversion Price : S\$0.18 for each Conversion Share (the “**Conversion Price**”) subject to such price adjustment mechanisms in the event of, among others, future right, bonus or other capitalisation issues, as set out in the Convertible Loan Agreement.

The Conversion Price of S\$0.18 is equivalent to the volume weighted average price of S\$0.18 per Share for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 14 December 2018, being the last full market day prior to which the Convertible Loan Agreement was signed.

Conversion Formula :

Number of Conversion Shares	=	Amount of Loan(s) which has / have been disbursed pursuant to Utilisation Request(s) and accrued and unpaid Interest in respect of such Loan(s) pursuant to which the Lender
-----------------------------------	---	--

exercises its conversion right (in Singapore Dollars)

Conversion Price

For the avoidance of doubt, where the amount of the Loan and accrued interest are denominated in RMB, such amounts shall be converted into Singapore Dollars based on the Applicable Exchange Rate for the purposes of applying the aforesaid conversion formula.

For the purposes herein, “**Applicable Exchange Rate**” means the exchange rate of 1 Singapore Dollar: 5.00 RMB.

Status of the Conversion Shares : The Conversion Shares, when allotted and issued on conversion, shall, with effect from the date on which the Conversion Shares are credited to the securities account of the relevant Lender, the details of which are registered as such in the Company’s register of members (the “**Registration Date**”), in all respects rank *pari passu* with the other Shares in issue on the Registration Date, except for any dividends, rights, allotments or other distributions, the record date for which is prior to the Registration Date.

Prepayment of a Loan : The Company shall not prepay a Loan without the prior written approval of the relevant Lender.

Conditions Precedent : The issue of a Utilisation Request and the Conversion Shares shall be conditional upon the satisfaction of, among others, the following conditions (the “**Conditions Precedent**”):

(a) all relevant approval from the shareholders of the Company (the “**Shareholders**”) for the issuance of the Conversion Shares being obtained and not being revoked or amended prior to the date of issuance of such Conversion Shares, and (if applicable) where any such Shareholders’ approval is subject to any conditions, such conditions being acceptable to the Company and the Lenders and, to the extent that any such conditions are required to be fulfilled on or before the date of issuance of such Conversion Shares, they are so fulfilled, and in the event any amendment is made to the terms of any such Shareholders’ approval, such amendments being acceptable to the Company and the Lenders; and

(b) the approval in-principle for the listing of and quotation for the Conversion Shares on the Catalist Board of the SGX-ST (the “**Listing**”)

Approval") having been obtained (on terms and conditions acceptable to the Company and the Lenders, each acting reasonably) and not being revoked or amended, and any condition attached to the Listing Approval which is required to be fulfilled on or before the date of issuance of such Conversion Shares, having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST.

- 2.3** The offer of the Conversion Shares and CL Warrant Shares (as defined below) is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Facilities under the Convertible Loan Agreement and the CL Warrants Issue.

3. DETAILS ON THE LENDERS

- 3.1** The Lenders are both private investors who were introduced to the Company by the Introducer. Details of the Lenders are as follows: -

Lender	Details of the Lender
Guangzhou Yue Da Environmental Technology Development Co. Ltd.	Guangzhou Yue Da Environmental Technology Development Co. Ltd. (" Yue Da ") is a company incorporated in the PRC with a registered capital of RMB 10 million. Its principal business activities are waste & resources management and development of environment protection technology & systems. Yue Da is wholly owned by Guangzhou Liufeng Environmental Technology Co., Ltd.
Guangzhou Green Valley Ecological Environment Co. Ltd.	Guangzhou Green Valley Ecological Environment Co. Ltd. (" Green Valley ") is a company incorporated in the PRC with a registered capital of RMB 10 million. Its principal business activities are ecological and environment protection and management. Green Valley is 70% owned by a business man, Mr Peng Jian Hua.

- 3.2** The Company confirms, to the best of their knowledge, that the Company, its Directors and/or substantial shareholders do not have any connection (including business relationships) with any of the Lenders. The Lenders have also confirmed with the Company that they do not fall within the categories of persons set out under Rule 812(1) of the Catalist Rules. Each of the Lenders has also represented, warranted and undertaken to and for the benefit of the Company that he/it is not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Singapore Code on Take-overs and Mergers). The Lenders will not be holding the Conversion Shares in trust or as nominees for other persons in the event that they exercise the conversion right under the Convertible Loan Agreement.

The information set out in this paragraph 3 were provided by the Lenders, which have been extracted and reproduced herein. In respect of such information, the Directors have not independently verified the accuracy and correctness of the same and the Directors' responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

4. RATIONALE AND USE OF PROCEEDS

4.1 The Company is of the view that the entry by the Company into the Convertible Loan Agreement is beneficial to the Company, and the Group, as the proceeds from the Loans will enable the Group to pursue the expansion of its business in other jurisdictions, primarily in the People's Republic of China ("**PRC**"). The proceeds from the Loans will be used to finance the business operations and activities of the Company's subsidiary to be incorporated in the PRC (the "**PRC Subsidiary**"). The Company will be making the relevant announcement at the appropriate juncture once the incorporation of the PRC Subsidiary is completed.

4.2 The estimated net proceeds from the Loans (assuming that the Company draws down the maximum facility amount of RMB 68,000,000), after deducting expenses of approximately S\$60,000, is approximately S\$13,540,000 (the "**Net Proceeds**").

4.3 The Company intends to use the Net Proceeds to fund the following activities to be undertaken by the PRC Subsidiary:

- (a) approximately 35% of such proceeds will be used for the procurement and trading of food and beverage related products;
- (b) approximately 35% of such proceeds will be used for food and beverage business in the PRC; and
- (c) approximately 30% of such proceeds will be used for growth and acquisition opportunities in Hong Kong and the PRC as and when they arise.

The acquisition of any business by the Company or the PRC Subsidiary which changes the Company's risk profile will be subject to the relevant Shareholders' approvals being obtained, as may be required under the Catalist Rules. The Company will make the relevant announcement at the appropriate junctures in this regard.

4.4 Pending the deployment of the Net Proceeds for the above-mentioned purposes, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in their absolute discretion deem fit in the best interest of the Group.

4.5 The Company will make periodic announcements as and when the Net Proceeds from the Loans are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the interim and full year financial statements and the annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reason(s) for such deviation.

5. DIRECTORS' OPINION

5.1 The directors of the Company (the "**Directors**") are of the opinion that after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities and Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

5.2 Notwithstanding the foregoing, the Company has decided to enter into the Convertible Loan Agreement to strengthen its financial position in order to fund its business expansion plans in other jurisdictions.

6. THE CL WARRANTS ISSUE

6.1 The CL Introducer Agreement

Pursuant to the CL Introducer Agreement, the Company will issue and allot 30,000,000 CL Introducer Warrants to the Introducer for the introductory services provided by the Introducer with regards to the Facilities. The Introducer was instrumental in introducing the Lenders to the Company. The issue of the CL Introducer Warrants would enable the Company to conserve its cash. The Introducer has confirmed with the Company that no part of the CL Introducer Warrants will be shared with the Lender(s). Save for the CL Introducer Warrants, there are no other payments to the Introducer for the services rendered in relation to the Convertible Loan Agreement.

6.2 Details on the Introducer

The Introducer is a company incorporated in Singapore and involved in the business of providing business and management consultancy services. As at the date of this announcement, the Introducer does not hold any Shares. The Company confirms, to the best of their knowledge, that the Company, its Directors and/or substantial shareholders do not have any connection (including business relationships) with the Introducer. The Introducer has also confirmed with the Company that they do not fall within the categories of persons set out under Rule 812(1) of the Catalist Rules. The Introducer has also represented, warranted and undertaken to and for the benefit of the Company that it is not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Singapore Code on Take-overs and Mergers).

6.3 Key Terms of the CL Introducer Warrants

The key terms of the CL Introducer Warrants are as follows:-

- | | |
|----------------------------|--|
| Number of Warrants | : 30,000,000 |
| Subscription rights | : Subject to the terms and conditions of the CL Introducer Warrants set out in a deed poll to be executed (the “ Deed Poll ”), each CL Introducer Warrant shall entitle the Introducer, at any time during the exercise period (the “ Exercise Period ”), to subscribe for one (1) new Share at the Exercise Price (each a “ CL Warrant Share ”). |
| Exercise Price | : S\$0.18 payable for each CL Warrant Share (the “ Exercise Price ”) on the exercise of a CL Introducer Warrant (such exercise price shall from time to time be adjusted in accordance with the terms and conditions to be set out in the Deed Poll). The Exercise Price is equivalent to the volume weighted average price of S\$0.18 per Share for trades done on the SGX-ST on 17 December 2018, being the last full market day prior to which the CL Introducer Agreement was signed. |
| Exercise Period | : The CL Introducer Warrants may be exercised at any time during the period commencing on and including the date of issue of the CL Introducer Warrants and expiring at 5.00 p.m. on the |

market day immediately preceding the second anniversary of the date of issue of the CL Introducer Warrants.

End of Exercise Period : The Company shall, not later than one (1) month before the expiry of the Exercise Period, give notice to the Introducer in accordance with the conditions set out in the Deed Poll, and announce the expiration date of the CL Introducer Warrants on the SGXNet.

Status of CL Warrant Shares : The CL Warrant Shares arising from the exercise of the CL Introducer Warrants will, upon allotment and issue:

- (a) rank *pari passu*, in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions, the record date of which falls before the date of issue and allotment of the CL Warrant Shares; and
- (b) be listed on the SGX-ST and free from pre-emptive rights.

Adjustment to Exercise Price and/or the number of Warrants : The Exercise Price and/or the number of CL Introducer Warrants to be held by the Introducer will be subject to adjustments under certain circumstances to be set out in the Deed Poll. Any additional warrants issued pursuant to such adjustments shall rank *pari passu* with the CL Introducer Warrants and will for all purposes form part of the same series.

Transferability and Listing : The CL Introducer Warrants shall not be transferable and will not be listed and traded on the Catalist of SGX-ST.

In addition to the above, pursuant to the CL Introducer Agreement, the Company and the Introducer have agreed that the 30,000,000 CL Introducer Warrants will be issued by the Company in the following manner:

- (a) the Company shall issue 100% of the CL Introducer Warrants as soon as practicable after the date of the EGM (as defined below) provided the Company has received the Financial Proof from the Lenders before the date of the EGM (as defined below); or
- (b) if the Company does not receive any Financial Proof from the Lenders before the date of the EGM, the Company shall issue:
 - (i) 50% of the CL Introducer Warrants as soon as practicable after the date of the EGM; and
 - (ii) 50% of the CL Introducer Warrants upon the Company having confirmed receipt of at least 50% of the maximum amount of the loan under the Facilities.

For the purposes herein, “**Financial Proof**” means such documents as may be requested by the Company evidencing, to the satisfaction of the Company, the ability of the Lenders to provide to the Company the loan of RMB 68,000,000 under the Facilities.

6.4 Conditions Precedent for the CL Warrants Issue

The CL Warrants Issue is conditional upon, *inter alia*:

- (a) specific Shareholders' approval(s) as required under the Catalist Rules having been obtained at an extraordinary general meeting (the "EGM") to be convened for, among others, the Facilities, the Conversion Shares, the CL Warrants Issue and the CL Warrant Shares (on terms and conditions acceptable to the Company, the Lenders and the Introducer each acting reasonably);
- (b) the receipt by the Company from the SGX-ST of an approval in-principle for the listing of and quotation for the Conversion Shares and CL Warrant Shares on the Catalist Board of the SGX-ST (on terms and conditions acceptable to the Company, the Lenders and the Introducer, each acting reasonably) and such approval not being revoked or amended;
- (c) the CL Warrants Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the CL Introducer Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Introducer (including but not limited to the SGX-ST); and
- (d) the satisfaction of the Conditions Precedent (as defined above) in respect of the disbursement of a Loan.

7. USE OF PROCEEDS FROM EXERCISE OF CL INTRODUCER WARRANTS

7.1 Assuming the CL Introducer Warrants are fully exercised into CL Warrant Shares, the estimated amount of additional proceeds that may be raised from the CL Warrants Issue, after deducting expenses of approximately S\$25,000 incurred in connection with the CL Warrants Issue, is approximately S\$5,375,000 (the "**Net CL Warrants Proceeds**").

7.2 The Company intends to utilise the entirety of the Net CL Warrants Proceeds as follows:

- (a) approximately 30% of such proceeds for general working capital purposes; and
- (b) approximately 70% of such proceeds for growth and acquisition opportunities as and when they arise.

7.3 Pending the deployment of the Net CL Warrants Proceeds for the above-mentioned purposes, the Net CL Warrants Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in their absolute discretion deem fit in the best interest of the Group.

7.4 The Company will make periodic announcements as and when the Net CL Warrants Proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net CL Warrants Proceeds in the interim and full year financial statements and the annual report. Where the Net CL Warrants Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net CL Warrants Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of the Net CL Warrants Proceeds, the Company will announce the reason(s) for such deviation.

8. DIRECTORS' OPINION IN RELATION TO CL INTRODUCER WARRANTS

8.1 The Directors are of the opinion that after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities and Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8.2 Notwithstanding the foregoing, the Company has decided to enter into the CL Introducer Agreement as consideration for the introductory services provided by the Introducer to the Company and to strengthen its financial position in order to meet its anticipated general working capital requirements and business expansion.

9. SPECIFIC MANDATE FOR THE ISSUE OF THE CONVERSION SHARES, CL INTRODUCER WARRANTS AND CL WARRANT SHARES

9.1 The Conversion Shares

Assuming that:

- (a) the Company draws down RMB 68,000,000, being the maximum amount permitted under the Facilities;
- (b) the Company elects to pay for, and the Lenders agree to the payment of, the interest to be accrued on such loan on the Maturity Date. In this regard, the maximum amount of interest that may be accrued in respect of the loan of RMB 68,000,000 on the Maturity Date will be RMB 16,320,000;
- (c) the Lenders elects to exercise its right to convert the amount of RMB 84,320,000 being the aggregate of the entire loan amount of RMB 68,000,000 and the maximum amount of interest accrued of RMB 16,320,000 on the Maturity Date; and
- (d) the Applicable Exchange Rate is S\$1 = RMB 5.00,

the maximum number of Conversion Shares (the “**Maximum Number of Conversion Shares**”) that may be issued to the Lenders, based on a Conversion Price of S\$0.18 per Conversion Share, will be 93,688,888 (or 46,844,444 Conversion Shares to each Lender). The aggregate of 93,688,888 Conversion Shares, when fully issued upon the Lenders’ exercise of their conversion right pursuant to the Convertible Loan Agreement, represent approximately 70.98% of the existing issued and paid up share capital of the Company comprising 132,000,000 Shares. Assuming that all 93,688,888 Conversion Shares are issued, on completion of the issuance and allotment of such Shares, the total number of issued Shares in the share capital of the Company will increase to 265,244,443 and the Conversion Shares will represent approximately 35.32% of the issued and paid up share capital of the Company on an enlarged basis (assuming the issuance and allotment of 14,000,000 consideration Shares pursuant to the completion of the acquisition of Hao Kou Wei Pte. Ltd. and the completion of the placement of 26,675,555 Shares in the Company to the Placees¹).

¹ Shareholders may wish to refer to the announcements released by the Company on 17 December 2018 in relation to Proposed Acquisition and Proposed Placement. As the Company does not intend to draw down on the Facilities until the completion of the Proposed Acquisition and the Proposed Placement, the enlarged share capital of the Company takes into account the 14,000,000 consideration Shares to be issued pursuant to the Proposed Acquisition, and the 25,555,555 Shares to be issued pursuant to the Proposed Placement. Shareholders should note that pursuant to the Convertible Loan Agreement, a Lender may only exercise its conversion right in respect of a Loan, during the period from and including the Disbursement Date for that Loan, up to and including the date which is three (3) years after such Disbursement Date.

9.2 The CL Warrant Shares

The CL Warrant Shares, when fully issued upon exercise of all the CL Introducer Warrants, represent approximately 22.73% of the existing issued and paid up share capital of the Company comprising 132,000,000 Shares. Assuming that all the 93,688,888 Conversion Shares (being the Maximum Number of Conversion Shares) and 30,000,000 CL Warrant Shares are issued, the total number of issued Shares in the share capital of the Company will increase to 295,244,443, and the Conversion Shares and CL Warrant Shares will represent approximately 31.73% and 10.16% respectively, of the issued and paid up share capital of the Company on an enlarged basis (assuming the issuance and allotment of 14,000,000 consideration Shares pursuant to the completion of the acquisition of Hao Kou Wei Pte. Ltd. and the completion of the placement of 26,675,555 Shares in the Company to the Placees²).

9.3 Specific Mandate

The Company will be seeking specific Shareholders' approval for the allotment and issuance of the Conversion Shares, CL Introducer Warrants and CL Warrant Shares at an EGM to be convened. A circular to the Shareholders containing, among others, information on the Proposed Transactions will be despatched to Shareholders in due course.

For the avoidance of doubt, the issue of a Utilisation Request is not subject to the Company having received approval from Shareholders on the CL Warrants Issue.

10. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

10.1 Bases and Assumptions

The financial effects of the Proposed Transactions on the share capital, loss per Share ("LPS") and net tangible assets ("NTA") per Share of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017 ("FY2017"). The *pro forma* financial effects of the Proposed Transactions are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following completion of the Proposed Transactions.

For illustration purposes only, the financial effects of the Proposed Transactions have been computed based on the following assumptions:

- (a) the financial effects on the Group's NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the Proposed Transactions were completed on 31 December 2017, being the end of the most recently completed financial year; and
- (b) the financial effects on the Group's earnings or loss attributable to the Shareholders and LPS have been computed assuming that the Proposed Transactions were completed on 1 January 2017, being the beginning of the most recently completed financial year;
- (c) the Company draws down an aggregate sum of RMB 68,000,000 under the Facilities, being the maximum amount permitted under the Facilities;
- (d) the Company elects to pay for, and the Lenders agree to the payment of, the interest to be accrued on such loan on the Maturity Date. In this regard, the maximum amount of interest that may be accrued in respect of the loan of RMB 68,000,000 on the Maturity Date will be RMB 16,320,000;

² Please refer to footnote (1) above.

- (e) the Lenders exercise their right to convert the Loan amount of RMB 68,000,000 (or approximately S\$13,600,000 based on the Applicable Exchange Rate and the maximum interest amount of RMB 16,320,000 (or approximately S\$3,264,000 based on the Applicable Exchange Rate) at the Conversion Price;
- (f) the net profit after taxation for FY2017 earned from the new business(es) undertaken by the Group using the Loans is sufficient to cover the interest expense for the Loans for FY2017;
- (g) the Introducer subscribes for all 30,000,000 CL Warrant Shares pursuant to the exercise of the CL Introducer Warrants at the Exercise Price;
- (h) no adjustments have been made to the Conversion Price and the Exercise Price; and
- (i) save for the interest expense for the Loans, the expenses in connection with the Proposed Transactions have been disregarded.

10.2 Share Capital

	No. of Shares	(\$'000)
Issued share capital	132,000,000	11,498
Add:-		
Maximum Number of Conversion Shares to be issued and allotted	93,688,888	16,864
CL Warrant Shares to be issued and allotted	30,000,000	5,400
Enlarged share capital after the completion of the Proposed Transactions	255,688,888	33,762

10.3 NTA per Share

	As at 31 December 2017	After Issuance of Conversion Shares	After Issuance of CL Warrant Shares
NTA attributable to Shareholders (S\$'000)	3,103	19,967	25,367
Number of Shares ('000)	132,000	225,689	255,689
NTA per Share attributable to Shareholders (Singapore cents)	2.35	8.85	9.92

10.4 LPS

	As at 31 December 2017	After Issuance of Conversion Shares	After Issuance of CL Warrant Shares
Net loss attributable to Shareholders (S\$'000)	(3,849)	(3,849)	(3,849)
Weighted average number of	132,000	225,689	255,689

	As at 31 December 2017	After Issuance of Conversion Shares	After Issuance of CL Warrant Shares
Shares ('000)			
LPS (Singapore cents)	2.91	1.71	1.51

11. CHANGES IN SHAREHOLDING INTEREST OF CONTROLLING SHAREHOLDER, LENDERS AND INTRODUCER

As at the date of this announcement, Mr Pang Pok is the controlling shareholder of the Company, holding 98,190,000 Shares. The shareholding interest of Mr Pang Pok before and after the Proposed Transactions, as a percentage of the current share capital of the Company as at the date of this announcement and the enlarged share capital, respectively, is set out below:

	Existing		After completion of Proposed Acquisition and Proposed Placement		Assuming completion of Proposed Acquisition and Proposed Placement			
	No. of Shares	% of total issued Shares ⁽¹⁾	No. of Shares	% of total issued Shares ⁽²⁾	After issuance of Conversion Shares	% of total issued Shares ⁽³⁾	After issuance of Conversion Shares and CL Warrant Shares	% of total issued Shares ⁽⁴⁾
Pang Pok	98,190,000	74.39%	112,190,000 ⁽⁵⁾	64.97% ⁽⁵⁾	112,190,000 ⁽⁵⁾	42.12% ⁽⁵⁾	112,190,000 ⁽⁵⁾	37.86% ⁽⁵⁾
Lenders	-	-	-	-	93,688,888	35.17%	93,688,888	31.61%
Introducer	-	-	-	-	-	-	30,000,000	10.12%

Notes:

- (1) Based on the existing issued and paid-up share capital of the Company of 132,000,000 Shares.
- (2) Based on the enlarged share capital of the Company of 172,675,555 Shares, after the issuance and allotment of 14,000,000 consideration Shares pursuant to the completion of the Proposed Acquisition, and the issuance and allotment of 26,675,555 Shares pursuant to the completion of the Proposed Placement.
- (3) Based on the enlarged share capital of the Company of 266,364,443 Shares, after the issuance and allotment of 93,688,888 Conversion Shares (being the Maximum Number of Conversion Shares based on the assumptions set out in paragraph 9.1 of this announcement) and the completion of the Proposed Acquisition and Proposed Placement. Shareholders may also wish to refer to footnote (1) of this announcement.
- (4) Based on the enlarged share capital of the Company of 296,364,443 Shares, after the issuance and allotment of 93,688,888 Conversion Shares (being the Maximum Number of Conversion Shares based on the assumptions set out in paragraph 9.1 of this announcement), and 30,000,000 CL Warrant Shares (assuming that the Introducer exercises all 30,000,000 CL Warrants at the Exercise Price) and the completion of the Proposed Acquisition and Proposed Placement. Shareholders may also wish to refer to footnote (1) of this announcement.
- (5) Mr Pang Pok will be deemed to be interested in the Shares held by his spouse, Ms Ang Siew Kiock. Pursuant to the Proposed Acquisition, 14,000,000 consideration Shares will be issued to Ms Ang Siew Kiock (being the vendor to the Proposed Acquisition). Accordingly, Mr Pang Pok will be deemed to be interested in the 14,000,000 Shares to be issued and allotted to Ms Ang Siew Kiock pursuant to the completion of the Proposed Acquisition. Shareholders should note

that the Proposed Acquisition is an interested person transaction for the purposes of Chapter 9 of the Catalist Rules and is subject to Shareholders' approval.

Assuming that all the 93,688,888 Conversion Shares (being the Maximum Number of Conversion Shares) and 30,000,000 CL Warrant Shares are issued, the Conversion Shares and CL Warrant Shares will represent approximately 31.61% (or 15.81% in respect of the 46,844,444 Conversion Shares to be issued to each Lender) and 10.12% respectively, of the issued and paid up share capital of the Company on an enlarged basis assuming completion of the Proposed Acquisition and the Proposed Placement³. Accordingly, the Company will also be seeking specific Shareholders' approval at the EGM to be convened for the potential transfer of controlling interest arising from the issuance of the 93,688,888 Conversion Shares to the Lenders (or 46,844,444 Conversion Shares to be issued to each Lender) pursuant to Rule 803 of the Catalist Rules.

12. ADDITIONAL LISTING APPLICATION

UOB Kay Hian Private Limited, the Company's Sponsor, will be submitting an application to the SGX-ST, on behalf of the Company, for the listing and quotation of the Conversion Shares and CL Warrant Shares on the Catalist board of the SGX-ST. The Company will make the relevant announcement to notify the Shareholders when the listing and quotation notice from the SGX-ST is obtained.

13. DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transactions.

14. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company and as disclosed in this announcement, none of the Directors or their associates or, as far as the Company is aware, substantial Shareholders or their associates, has any interest, direct or indirect, in the Proposed Transactions.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

16. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Transactions are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Transactions will be completed or that no changes will be made to the terms thereof. The Company will make the

³ Please refer to footnote (1) above.

necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Convertible Loan Agreement and CL Introducer Agreement are available for inspection at the Company's registered office at 8 Loyang Way 4 Singapore 507604 during normal business hours for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

Executive Chairman and Chief Executive Officer
Pang Pok

17 December 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 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.

The contact person for the Sponsor is Mr Lan Kang Ming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.