



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

**UPDATE ON THE PROPOSED DISPOSAL OF ENTIRE SHARE CAPITAL OF GREATSOLUTIONS
PTE. LTD.**

The Board of Directors (the “**Board**”) of GS Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcements dated 19 November 2019, 30 December 2019 and 14 January 2020 (collectively, the “**Announcements**”), and the circular dated 13 December 2019 (the “**Circular**”) in relations to, among others, the disposal of the entire issued and paid-up share capital of GreatSolutions Pte. Ltd. (“**Target**”).

Unless otherwise defined herein, all capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Announcements and Circular.

As set out in the Announcement dated 14 January 2020, the Company had received payment of the first tranche of the Consideration, amounting to S\$400,000, under the SPA. Following the fulfillment of the conditions precedent in accordance with the SPA, the Proposed Disposal has been completed and the Target has ceased to be a subsidiary of the Group.

Pursuant to the SPA, the Purchaser shall, among others:

- (i) make payment of the final tranche of the Consideration, amounting to S\$1,600,000 by 14 July 2020, being the date falling six (6) months from the Completion Date; and
- (ii) do all things necessary and as may be required by the Company to: (a) procure the release by the relevant bank(s); and (b) full discharge by the Company, of all securities provided by the Company (or any GS Group Company) in respect of loans extended by the relevant bank(s) to the Target Group, within three (3) months from Completion, including but not limited to the provision by the Purchaser of such replacement securities as may be required by the relevant bank(s) in respect of the foregoing loans. The Purchaser also agrees that the Company shall not be obliged to provide any such securities for the benefit of the Target Group after such date falling three (3) months from Completion.

The Company has received requests from the Purchaser, in respect of the foregoing provision, as follows:-

- (i) to consider a reduction in the final tranche of Consideration and to allow the Purchaser to make payment of the final tranche of Consideration by 31 December 2020; and
- (ii) to extend the deadline for the Purchaser to (a) procure the release by the relevant bank(s); and (b) full discharge by the Company, of all securities provided by the Company (or any GS Group Company) in respect of loans extended by the relevant bank(s) to the Target Group.

As at 31 December 2019, the Target Group’s bank loans amounted to S\$6,377,000, which are used as working capital of the Target Group and to finance the purchase of the Target Group’s leasehold property. GS Group and its director has provided certain securities in respect of such loans, as follows:-

- (i) corporate guarantee from the Company and Hawkerway Pte. Ltd. (being a subsidiary of the GS Group);

- (ii) legal mortgages over certain personal properties of a director of the Company;
- (iii) personal guarantee from a director of the Company;
- (iv) legal mortgages over Hawkerway Pte. Ltd.'s investment properties; and
- (v) assignment of rental proceeds and all rights of the tenancy agreements.

Although the Target Group has managed to source for alternative securities to be provided in place of the foregoing securities, the Target Group requires more time to arrange for the discharge of the foregoing securities provided by GS Group and the Company's director (as the case may be), in view that the parties are in the process of handing over relevant documents and matters of the Target Group to the new management of the Target Group, which was delayed due to the COVID-19 outbreak and circuit breaker measures. The Company is of the view that in the event there is further delay in the discharge of the foregoing securities, there is minimal risk to the Company as the relevant loans are also secured by legal mortgage over the Target Group's leasehold property, being the Loyang Property, which was valued at approximately S\$7.5 million based on the Property Valuation Report as set out in the Circular.

As such, the Purchaser has made the foregoing requests largely attributable to the current adverse business environment due to the COVID-19 outbreak, which had an adverse impact on the Target Group's business and operations.

The Board is currently reviewing the Purchaser's requests as set out above. The Company will provide an update as soon as the Company and the Purchaser have reached an agreement on the foregoing matters.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Pang Pok
Chief Executive Officer and Executive Director

14 July 2020

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

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

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