



GS HOLDINGS LIMITED

GS Holdings' Subsidiary Secures Master Distribution Agreement for Aloe Vera-based Health Supplements and Food and Beverage Products

- *Raffles Brands has entered into a master distribution rights agreement with Kaifeng Jufeel, with Raffles Brands to be appointed as a master distributor for certain health supplements and related products derived from the aloe vera plant as well as aloe vera food and beverage products*
- *The master distribution rights agreement will cover key geographical markets such as the PRC, ASEAN countries and countries in the African continent, among others*
- *Kaifeng Jufeel shall undertake the assignment and/or transfer of all existing customer contracts to Raffles Brands*
- *The master distribution agreement is for an initial duration of 3 years and Raffles Brand is guaranteed a minimum gross profit margin of 40% for each financial year*
- *The new Distribution business segment is expected to provide new growth prospects and revenue channels that will strengthen the Group's business model*

SINGAPORE, 29 January 2021 – GS Holdings Limited (“GS Holdings” or the “Company” and together with its subsidiaries, the “Group”), is pleased to announce that its indirect subsidiary, Raffles Brands Pte. Ltd (“**Raffles Brands**”) has entered into a master distribution rights agreement (“**Master Agreement**”) with Kaifeng Jufeel Biotechnology Co., Ltd. (开封九福来生物技术有限公司) (“**Kaifeng Jufeel**”), where Raffles Brands will be appointed as a master distributor for certain health supplements and related products derived from the aloe vera plant as well as aloe vera food and beverage products.

Kaifeng Jufeel is a PRC-incorporated company, incorporated in 2011, of which principal activities include aloe vera planting, manufacturing and sale of aloe vera related health products. Notably, Kaifeng Jufeel is a high-tech enterprise with its core focus on integrated aloe-vera businesses, that includes aloe vera organic planting, raw materials processing, raw materials biological extraction, drugs research and development, and renewable resources development and application, and others.

Under the Master Agreement, Raffles Brands can distribute the aloe vera-based products in key geographical markets such as the People’s Republic of China, ASEAN countries and countries in the African continent, among others, for a period of 3 years. In addition, Kaifeng Jufeel shall undertake the assignment and/or transfer of all existing customer contracts to Raffles Brands.

It is also agreed that Kaifeng Jufeel will guarantee Raffles Brands with a minimum gross profit margin of 40% from the distribution business for each financial year. Based on the audited accounts provided by Kaifeng Jufeel, the total audited revenue of Kaifeng Jufeel for the



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financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 are approximately RMB 125,277,000, RMB 104,801,000, and RMB 109,675,000 respectively. Based on Kaifeng Jufeel's representations to the Company, the revenue which arose from the sales of the products which will be distributed by Raffles Brands comprised approximately 80% of the total audited revenue for the foregoing financial years. In this regard, the Board believes that foregoing distribution business is expected to increase the revenue and profits of the Group.

According to a ResearchAndMarkets.com report, the nutritional supplement market in China is expected to reach US\$40 billion by 2023, growing at a CAGR of 14%.⁽¹⁾ Based on an article from TMO Group, the consumption rates of health supplement in China are still far behind developed Western markets and neighbouring markets, where per capita health product consumption in China was RMB 177 during 2018, as compared to RMB 767, RMB 662, RMB 924 in Hong Kong, Japan, and the US respectively.⁽²⁾

The Company will be convening an Extraordinary General Meeting to seek shareholders' approval for the interested person transactions between the Group and Kaifeng Jufeel and the proposed expansion and diversification of business under the Master Agreement.

Commenting on this latest business venture, Mr Pang Pok, Chief Executive Officer and Executive Director of GS Holdings, said, *"Increasing health-conscious behaviour and rising incidence of lifestyle diseases have led to a growing awareness of the role of healthcare supplements in improving general health and wellbeing prior to the outbreak of COVID-19.*

Consequently, we believe that the emergence of the COVID-19 pandemic will reinforce the trend towards a more proactive approach in self-care and wellness.

With Kaifeng Jufeel's plant-based aloe vera health supplements, food & beverages and products, we look forward to harness the market opportunities in this high growth market and develop new recurring revenue channels for our Group to further strengthen our business model and enhance our financial performance."

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This document is to be read in conjunction with GS Holdings' exchange filings on 29 January 2021, which can be downloaded via www.sgx.com.

Issued on behalf of GS Holdings Limited by 8PR Asia Pte Ltd.

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- (1) <https://www.businesswire.com/news/home/20181213005280/en/The-Nutritional-Supplement-Market-in-China-2018-2023---A-40-Billion-Opportunity-Led-by-Swisse-Blackmores-Amway-Abbott-Nestle-and-Nu-Skin---ResearchAndMarkets.com>
- (2) <https://www.tmogroup.asia/online-chinese-health-supplements-market-potential/>

About GS Holdings Limited

(Bloomberg Code: GSHL:SP / Reuters Code: GSHO.SI / SGX Code: 43A)

With an aim to diversify its business model and create additional streams of income, GS Holdings Limited has expanded its business model with new ventures in the F&B business and the provision of Branding, Operation and Procurement (“**BOP**”) Services in Asia.

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

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