



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

**RE-ALLOCATION OF USE OF NET PROCEEDS OF THE PLACEMENT OF
26,675,555 NEW ORDINARY SHARES IN THE CAPITAL OF GS HOLDINGS LIMITED**

Unless otherwise defined, all capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Company's circular dated 11 February 2019 ("Circular").

1. INTRODUCTION

The Board of Directors (the "**Board**") of GS Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the Circular dated 11 February 2019 in respect of, among others, the proposed placement of 26,675,555 new ordinary shares in the capital of the Company to Marvel Earn Limited and Chong Paw Long ("**Placement**") where the Company had raised a net proceeds of approximately S\$4.74 million ("**Net Proceeds**").

2. RE-ALLOCATION OF THE USE OF NET PROCEEDS FROM THE PLACEMENT

2.1 The Company wishes to announce the re-allocation of the use of Net Proceeds from the Placement which was previously set out in the Company's announcement dated 30 April 2019.

Pursuant to the re-allocation (further details of which are provided for below), the use of Net Proceeds as at the date of this announcement is set out below:

Use of Net Proceeds	Amount allocated pursuant to the re-allocation on 30 April 2019 S\$'000	Amount Unutilised as announced on 15 January 2020 S\$'000	Amount allocated pursuant to the re-allocation of this announcement S\$'000	Amount Utilised as at the date of this announcement S\$'000	Amount Unutilised as at the date of this announcement S\$'000
Acquisition of companies and/or assets in the food & beverage business	2,700	820	(820)	-	-
General working capital	1,742	-	820	-	820
Capital expenditure for dishwashing business	300	-	-	-	-
Total	4,742	820	-	-	820

3. RATIONALE FOR THE RE-ALLOCATION OF THE USE OF NET PROCEEDS

- 3.1 With the Group's entry into 2 joint ventures relating to the F&B business in late October 2019 and early October 2020 and losses suffered by existing F&B companies due to negative impacts from the Covid-19 pandemic, the Group has allocated the balance amount of approximately S\$0.8 million of the Net Proceeds originally allocated for acquisition of companies and/or assets in the F&B business for general working capital needs to meet the business expansion needs of both joint ventures, such as hiring of more operations staff, launching of marketing and branding programs, purchases of products and ingredient, extending credit terms to new customers, and working capital requirements of existing F&B businesses.
- 3.2 The Board considers that the aforementioned re-allocation of the use of Net Proceeds is advantageous to the Company and in the best interests of the Company and its shareholders as a whole as the re-allocation would enable the Group to carry out its expansion plans of its F&B business more effectively.

The Company will continue to make periodic announcements on the utilization of the Net Proceeds as and when funds are materially disbursed.

By Order of the Board

Pang Pok
Chief Executive Officer and Executive Director

19 February 2021

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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